



JONES DAY
COMMENTARY

MEXICAN GOVERNMENT ANNOUNCES “NATIONAL PROGRAM OF INVESTMENT IN INFRASTRUCTURE AND COMMUNICATIONS”

On July 15, Mexico's president, Enrique Peña Nieto, announced the National Program of Investment in Infrastructure and Communications (the “Infrastructure Program”), which states that during the period of 2013 to 2018, the Mexican government will invest US\$320 billion in infrastructure projects, which will be focused on building new roads, railroads, ports, and airports and on improving the telecommunications industry in the country.

The Mexican president emphasized that this program is designed to turn Mexico into a real emerging economic leader for this century. The program was prepared according to the National Development Plan (*Plan Nacional de Desarrollo 2013 – 2018*), along with the commitments made by the president during his presidential campaign and the results obtained through extensive consultation with specialists in the field.

The Infrastructure Program will set in motion public and private investment in the country for an amount

of up to US\$104 billion, from which US\$46.5 billion will be destined to improve the current transportation system and to develop new infrastructure projects. This investment will create efficient connections that will make transportation easier and more profitable, leading to considerable improvements in ports and railroads.

The execution of the program will result in dynamic, secure, and comfortable airports that will offer better service to national and international passengers, improving the cost and frequency of air transportation and helping to resolve Mexico City International Airport's overcapacity issues by promoting regional connections.

As stated by the Mexican president, “High quality in infrastructure is fundamental to achieve a modern and developed country and is the key to accelerate the economic activity and social development in Mexico.”

OBJECTIVES OF THE PROGRAM

Roads

- Achieve a complete, well-maintained, and safe road network that connects the strategic regions of the country, reducing costs and time of transportation.
- Complete with high standards the three main corridors in Mexico (Mexico–Nogales, Mexico–Nuevo Laredo, and Mexico–Altiplano).
- Bring remote communities closer to strategic regions by the construction and renewal of country roads.
- Support public transportation renewal (main source of passenger and cargo transportation), through tax stimulus and credit-granting schemes, in order to modernize the public transportation fleet.

Railroad Transportation

- Reduce transportation costs, improving safety and travel time.
- Build strategic railroads that increase the efficiency of cargo trains.
- Reorganize railroad passenger transportation to improve the population's quality of life.

Ports

- Maintain four world-class ports and increase the ports' capacity to support the strategic economic industries of the country.
- Promote the development of a merchant navy.

Airports

- Solve the problem of overcapacity and operative saturation in the Mexico City International Airport.
- Improve passenger service and flight frequency.
- Promote regional connections.

Telecom

- Expand the coverage and capability of the networks, increasing public access to broadband services.
- Encourage competition, reducing costs and improving access to telecom services.
- Contribute to the proper implementation of the Constitutional Amendment in Telecommunications matter.

The Investment

- Transportation Infrastructure: US\$46.5 billion
- Telecom: US\$56 billion
- Total: US\$102.4 billion

Strategic Projects

Governmental Commitments			Other Projects		
Roads and Highways	<ul style="list-style-type: none"> • Highways (15) • Roads (29) • Freeways (16) • Junctions and bridges (7) • Rural roads and feeders (9) 	76	73	<ul style="list-style-type: none"> • Highways (15) • Roads (20) • Freeways (17) • Junction and bridges (15) • Maintenance project of federal highways at 90% (1) • Rural roads program (1) 	
Passenger Train and Massive Transportation	<ul style="list-style-type: none"> • Passenger train (3) • Massive transportation (6) • Bus terminal (1) 	10			
Cargo Train	<ul style="list-style-type: none"> • New trains (4) 	4	5	<ul style="list-style-type: none"> • Freeways (2) • Urban social programs (3) 	
Ports	<ul style="list-style-type: none"> • New ports (2) • Improvements (3) • Cruise terminal (1) • Rates reductions (1) 	7	14	<ul style="list-style-type: none"> • Solve Veracruz port saturation (1) • Improvements (2) • Specialized terminals (11) 	

Governmental Commitments			Other Projects		
Airports	<ul style="list-style-type: none"> • Modernization (6) • Strengthen connectivity (1) 	7	14	<ul style="list-style-type: none"> • Modernization (13) • Completion of airport construction (1) 	
Telecom	<ul style="list-style-type: none"> • Improve digital industry (1) 	1	5	<ul style="list-style-type: none"> • Improve main network (1) • Installation of shared network (1) • Broadband in 80,000 public establishments (1) • Satellite system launch (1) • Transition to terrestrial digital television (1) 	
105 + 111 = 116 Projects					

Infrastructure Investment

Projects	Number of Projects	Km	Amount (Million US)*
Highways	34	1,792	8,106
Roads	49	2,734	3,645
Freeways	33	884	4,028
Junction and bridges	22	N/A	926
Rural roads commitments	9	655	338
Road maintenance program	1	40,710	8,240
Rural roads program	1	12,600	5,616
Road infrastructure	149	5,410	30,900
Passenger trains	3	567	3,932
Massive transportation	6	95	1,690
Bus terminals	1	N/A	N/A
Cargo railroads	8	322	1,253
Railroad signs	1	N/A	160
Massive transportation and railroads	19	956	7,847
New ports	3	N/A	2,381
Improvements	5	N/A	1,200
Specialized terminals	12	N/A	1,409
Reduce rates	1	N/A	N/A
Ports	21	N/A	4,990
Improvements	19	N/A	1,812
Strengthen connectivity	1	N/A	N/A
Conclude airport construction	1	N/A	16
Airports	21	N/A	2,803
TOTAL	210	N/A	46,542

*Approx.

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