

## Mexican official promotes benefits of Baja port-rail project

by Diane Lindquist

Mexico - The mega container port and rail project planned 150 miles south of San Diego at Baja California's Punta Colonet will benefit the United States as well as Mexico, a top Mexican federal official said recently.

"This is a very important project. It's a project that should be taken in the interest of both nations. Even though it's on Mexican soil, the United States should be interested in this project," said Manuel Rodriguez Arregui, the Mexican subsecretary of transportation overseeing the project.

MEXPORT - A mineral rights dispute will not derail a Punta Colonet port, said the Mexican federal official overseeing it. Photo by Charlie Neuman.

In a phone interview from Mexico City, Rodriguez discussed several aspects of the port project, including the status of a dispute with a mineral group that has stalled the bidding process, the roles of the federal and state governments, and the impact of the development on residents of the Colonet region.

The new port should relieve increasing pressure on the ports of Los Angeles and Long Beach from incoming Asian cargo.

"The growth rate of trade with Asia requires more infrastructure," Rodriguez said. "It's not in both countries' best interest to have a bottleneck."

Plans call for the Colonet port to be as large as the Los Angeles and Long Beach facilities combined. The new port would occupy nearly 7,000 acres, 97 percent of it water and 3 percent tidelands, Ensenada port Director Carlos Jauregui Gonzalez said in an interview last year.

Under a bidding process run by the federal government, private companies will develop and operate the container port and a rail line reaching to the U.S. border. There are three components to the project, Rodriguez

said: the port, the administration of the port and the rail line.

By 2025, 6 million to 8 million 20-foot equivalent units, or TEUs - the standard measure for container cargo - are expected to move through Colonet into the U.S. heartland each year. Nearly all the commerce would bypass San Diego.

Future investment in the port and rail line has been estimated at as much as \$9 billion. And a city with 200,000 inhabitants is expected to materialize in an area that now is mostly fallow farmland owned by collective agricultural groups called ejidos.

Although the project has sparked interest from terminal operators, maritime companies and rail firms around the world, the bidding has been stalled by a separate business group's claims to mineral rights below the Pacific Ocean floor of the planned port.

Rodriguez said "two serious studies" have indicated the concentration of minerals is not large enough to mine.

"The information I have is the levels are way below a feasible project," he said. "We're going to resolve it. Believe me, this won't stand in the way for long.

"Their concession is for exploration, not for exploitation," he said, adding that the issue would be resolved legally.

A principal of the group, Grupo Minero Lobos, could not be reached for comment.

Sergio Tagliaprieta, Baja California's Secretary of Economic Development, said recently that the port-rail project would be put up for bid within a couple of months, but Rodriguez would say only, "I'm sure we'll resolve it this year."

While there have been reports that the state government would oversee the rail development, Rodriguez said, "the licitation is federal, not state. ... Anytime a right-of-way is needed, I'd say we're both responsible. But I don't want to pass on the responsibility to them."

There also has been speculation that the port development and operating concession would be awarded to Hutchison Port Holdings, a global port developer that operates the Ensenada port and reportedly has a close relationship with Baja California Gov. Eugenio Elorduy Walther.

"I cannot speak to the personal relationship they might have," Rodriguez said of Hutchison and Elorduy. "However, that will have absolutely no influence on the federal government, and the federal government will grant the concession."

Rodriguez also addressed complaints by residents of the Colonet area that they have not been kept abreast of plans for the project and how it would affect them.

"The only thing I can say is they're going to be treated fairly, and they're going to do well," he said.