

## Megaport proponent claims threats

by Diane Lindquist

ENSENADA, Mexico - The head of a business group that claims mineral rights at the site of Baja California's proposed Punta Colonet megaport is accusing a federal official of threatening him and his family to get the group to drop the claim.

Gabriel Chavez, the president of the Grupo Lobos partnership, said Monday in an interview that he was summoned to Mexico City on Friday for a meeting with Mexican Undersecretary of Communication and Transportation Manuel Rodriguez Arregui.

"(Rodriguez) told me the government is a monster with a lot of resources, and he told me they would use all their resources against me," Chavez said. "He said I should just go back and surrender."

Chavez, an Ensenada real estate developer, repeated the charges at a news conference Tuesday.

"I fear for my person, my family and my partners," he said.

Reached by phone in Mexico City on Monday night, Rodriguez denied the accusations.

"That's not true," Rodriguez said of Chavez' comments. "There was a meeting, and it was a very friendly meeting."

He characterized the accusations as an attempt by the leader of a failing enterprise to try to broker a deal despite not having a valid claim.

Rodriguez said Chavez in the meeting presented the government with a list of new demands to settle the mining dispute.

The demands, Rodriguez said, included sole authority to build the breakwater, to dredge the harbor, to operate tugboats and to fuel the millions of container ships expected to unload Asian cargo. The cargo would be sent into the United States interior via a new rail line up the Baja California peninsula.

"It was completely out of proportion," Rodriguez said. "I told him to come back when he had something more reasonable to present."

Grupo Lobos' concession to explore for minerals below the Pacific Ocean floor off Punta Colonet, 150 miles south of San Diego, was granted in 2005 by Mexico's Economic Ministry - before the Ministry of Communication and Transportation decided to promote private development of a megaport at the site.

Global marine terminal operators, shipping companies and rail firms are said to be eager to proceed with the port project. It is expected to be larger than the ports of Los Angeles and Long Beach combined and relieve some pressure on them from an increasing amount of cargo from Asia, especially China.

The dispute with the mineral group has stalled progress on the port development for more than a year.

"They are trying to take the concession away," Chavez said. "But it is 100 percent legal and it has to be respected. I was looking for a dignified way out ... but at this moment, things don't look that way."

Chavez said he has studies proving the existence of lead and titanium off the coast of Colonet.

Rodriguez said government studies indicate only an insignificant amount of minerals at Colonet and that Chavez has not provided proof of substantial mineral deposits.

"There's no mining project there," Rodriguez said.

The federal official questioned why Chavez has reached out to marine terminal operators rather than mining companies as partners. SSA Marine, which operates the most terminals worldwide, was affiliated with Grupo Lobos but since has severed its relationship.

"If you're a mining company, you get a mining company as a partner and not a port company," Rodriguez said.

He also claimed that Grupo Lobos' two other main partners are unhappy with Chavez's latest actions and are ready to sever the relationship.

Neither of the two partners could be reached for comment Tuesday.

Ruben Reyes, an attorney who represents Chavez, denied any disagreement among the Grupo Lobos partners.

Reyes said he was not present at the meeting Friday with Rodriguez, although he confirmed that Chavez asked for sole authority to control several port operations.

On the basis of a meeting that Reyes attended two weeks ago at Los Pinos, the Mexican White House, with a coordinator for President Felipe Calderon, the lawyer said he is certain the president does not agree with Rodriguez's posture toward Chavez and will remove him from his position.

The fallout from the dispute was widespread Thursday with meetings held among key players in Mexico City and Ensenada, where the governor inaugurated a new state building.

Bernardo Martinez Aguirre, the secretary general for the state of Baja California, was quick to step to Rodriguez's defense.

"What we have with Manuel Rodriguez is a very professional relationship. It's not possible that a professional person like Manuel would act like that," Martinez said. "We're doing things the right way. We want the benefits to go to the people.

"I think it's desperation, frustration (on the part of Chavez). He's on the dark side of the moon."

Jesus Lara, who represents several groups of ejido collective farmers that own property at Colonet and favor the port development, said he believes Grupo Lobos' position is becoming less tenable.

Ensenada Mayor Cesar Mancillas Amador had supported the mining group, even traveling with Chavez to speak with federal officials in Mexico City. But after a meeting during the inauguration ceremony, Lara said, Mancillas switched his support to the port project.

"Now all three levels of government are together," he said.

"There's a lot of controversy inside the mining group," said Lara, who said he had had contact with Chavez partners. "The problem is big. If they continue they way they are today, they won't survive."

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