Toll Road Concession Program Facing Obstacles

Carlos Navarro
Toll Road Concession Program Facing Obstacles

by Carlos Navarro
Category/Department: General
Published: Wednesday, January 20, 1993

On Jan. 13, Mexican truck drivers lifted blockades of a toll booth on the recently constructed Mexico City-Nogales highway and other side highways after receiving assurances from the Communications and Transport Secretariat (Secretaría de Comunicaciones y Transporte, SCT) that tolls for commercial carriers will be reviewed. The toll booth, located at the border between Sonora and Sinaloa states, was blocked on Jan. 9. According to Jorge Kondo Lopez, director of the Sinaloa Confederation of Agricultural Associations (Confederacion de Asociaciones Agricolas de Sinaloa, CAADES), agricultural enterprises in the state lost about US$3 million during each of the five days that the roads were blocked. According to the government news service Notimex, the blockade also stranded more than 6,000 bus passengers during a three-day period. Notimex reported that the truckers were protesting what they considered excessive tolls, which at some stations amounted to 59 nuevo pesos (about US$19) for vehicles with five axles. A study cited by El Financiero International weekly business newspaper indicated that a cargo truck traveling between Monterrey and Nuevo Laredo would pay up to $US100 in tolls. The truckers' protests are only a small portion of the problems facing the government's US$6.7 billion private toll road concession program. Due to poor management and short concession periods, investors controlling the strips of well-maintained toll roads that have opened under the project are charging exorbitant fees in order to make a return on their money. In addition, a spokesperson for the Mexican tourist office in Los Angeles noted tourists have complained that new booths are appearing on the toll roads without notice. As a result, many automobile and truck drivers are avoiding the toll roads, choosing instead to use the deteriorating alternate toll-free roads. The government is now seeking a change in the transportation law, which would require truckers to use toll roads instead of side highways. In promoting the change, the government cited a need to protect the condition of the old highways. However, it is clear that forcing truckers onto toll roads brings in money for the concession holders and increases traffic flow figures, helping the government to boost estimations for other toll road projects in the pipelines. Meanwhile, some private companies which initially received the contracts under the toll road project Empresas ICA, Grupo Mexicano de Desarrollo and Tribasa have not been able to obtain new financing because of cost overruns and government unwillingness to subsidize the project. Sources told El Financiero International that foreign construction companies are reluctant to pour resources into Mexico because of uncertainty about the investment returns and the availability of equipment, spare parts and trained workers. Meantime, senior SCT officials with assistance from the consulting firms Booz Allen, Hamilton de Mexico and Public Financial Management are conducting a study on how to overhaul the toll-road concession program. According to sources, the study seeks to use toll-road studies from other countries as a model for changes in the Mexican program. (Sources: Notimex, 01/12/93, 01/14/93; El Financiero International, 01/18/93)

-- End --