President Enrique Peña Nieto Proposes Plan to Restore Passenger Trains to Mexico

by Carlos Navarro
Category/Department: Mexico
Published: 2012-12-12

President Enrique Peña Nieto has proposed an ambitious plan to restore intercity passenger-rail service in Mexico after a hiatus of nearly two decades. "Mexico needs to implement a comprehensive plan to resolve its transportation problems," Peña Nieto said in his inauguration speech on Dec. 1. "By creating a system of modern trains, we can start a new chapter in the history of our country."

Privatization of the state-run railroad Ferrocarriles de Mexico (FERRONALES) in the 1990s transferred the country's rail-cargo operations to several private Mexican-foreign conglomerates (SourceMex, Nov. 22, 1995, Feb. 28, 1996, and Sept. 15, 1999), but the plan also resulted in the demise of the country's intercity passenger-train service. FERRONALES at one time operated nearly a dozen routes, primarily connecting Mexico City with Guadalajara, Monterrey, Veracruz, Oaxaca City, Mérida, Nuevo Laredo, Ciudad Juárez, Uruapan in Michoacán state, and Nogales in Sonora state.

And some believe it was a mistake to allow the demise of the intercity passenger-railroad system. With some foresight, railways could have provided economic opportunities for many rural communities and an environmental alternative for the country. "[In Mexico], the transportation of people by rail, which could have helped combat poverty and environmental problems, only exists in encyclopedias," Revista Fortuna said in July of this year, even before anyone knew that restoring rail transportation would be one of Peña Nieto’s proposals early in its administration. "It disappeared, and now, when our country requires innovative means to change its direction, the railroad has not been considered."

Fortuna also said that railroads have had huge historical significance in Mexico. For example, the magazine noted that the train station in Ramos Arizpe in Coahuila state was the location from where Venustiano Carranza sent a telegram 100 years ago declaring that the constitutional army no longer recognized the government of Victoriano Huerta. Huerta, in collusion with US Ambassador Henry Lane Wilson and others, led a coup against constitutionally elected President Francisco I. Madero in 1913. "Now that train station is no longer standing," said Fortuna.

After the Mexican rail system became primarily a cargo-transportation network in 1997, the only passenger carriers that remained were the commuter lines in Mexico City, Guadalajara, and Monterrey, including light-rail and subway systems. Railroad companies also continue to carry passengers on the tourist-oriented Chepe (connecting Chihuahua City through the Copper Canyon with the Pacific city of Los Mochis) and the Tequila Express in the Jalisco agave and tequila region.

Three intercity lines proposed in near term
But passenger rail might be back soon in Mexico. Under Peña Nieto’s plan, the government will begin by establishing three rail routes, one connecting Mexico City with the industrial hub of
Querétaro, a second one linking the capital with Toluca, and a third high-speed line that would span a large portion of the Yucatán Peninsula.

Peña Nieto’s plan also proposes to boost urban rail transportation, including constructing a third route for the subway in Monterrey, expanding the electric train in the Guadalajara metro area, and building a new route for the suburban rail system in the Mexico City metropolitan area.

Some observers said they await more specific details from Peña Nieto. "The administration is going to spell out very clearly how it will carry out the projects it announced," columnist Enrique Quintana wrote in the Mexico City daily newspaper Reforma.

Quintana said there is special interest in finding out how the projects will be financed. "It is not easy to make passenger rail transportation a profitable venture," said the columnist. "In many places around the world, [starting with the Mexico City subway], this type of system requires subsidies. We need to know more about the financial model that will make this mode of transportation viable."

The Cámara Mexicana de la Industria de la Construcción (CMIC), which has strongly endorsed the Peña Nieto proposal, is also seeking more details of the economic and technical aspects of the project. "The new infrastructure proposal is going to be an aggressive but realistic plan," said CMIC president Luis Zárate, offering his general assessment of the president’s proposal.

The CMIC estimates that government funding for infrastructure must double in the current administration to 8% of GDP from the 4% spent in the government of ex-President Felipe Calderón in order to promote greater growth and competitiveness. "Each project must have adequate funding," said Zárate. "There will be some instances where the government can participate as a partner, through a subsidy or a concession, but longer-term commitments are required to ensure that the project is viable."

Similar comments came from Alonso Quintana, director of the private construction and engineering company Grupo ICA, who said the projects should be treated as normal concessions, since they would be very unprofitable for the private sector. "These are very important investment projects," said the ICA official. "The truth is that there are very few train systems that are profitable."

But other analysts point out that the private sector must also play a big role in funding the projects. "Obviously, the private sector has to participate in a relevant manner, in a project that could cost about US$2.7 billion," wrote Reforma columnist Alberto Aguilar, referring to the proposed México-Querétaro railway.

**Mexico City-Querétaro route would be first project**

The Peña Nieto government is likely to give first priority to the México-Querétaro line, mostly because the government already owns the right of way on the land adjacent to the highway between the two cities. The president said as much in his inaugural speech. "I have ordered the communications and transportation secretary [Gerardo Ruiz Esparza] to begin 2013 with the construction of the México-Querétaro railway system."

Aguilar said another factor facilitating this project is that it could easily connect with Mexico City’s Buenavista-Cuautitlán suburban railroad.
But some believe that the project has the potential to go beyond Querétaro and into the industrial areas of Guanajuato state. Proponents of the expanded route include Guanajuato Gov. Miguel Márquez, who believes that the train should extend to the city of León, about 218 km northwest of Querétaro. In an interview with the Mexico City daily newspaper Milenio, Márquez said the state has already acquired 80% of the right of way on lands that would be part of the route.

The timing of the two other projects is uncertain, even though Peña Nieto also mentioned them as a priority. Both the Mexico City-Toluca and the Yucatán Peninsula projects were discussed during the Calderón administration as high-speed rail options but never became a reality.

Analysts believe the cost of the Mexico City-Toluca project could be an obstacle, since the infrastructure would have to be constructed in a difficult geographical region, even though the distance is a relatively short 50 km.

Still, analysts see this railway as an answer to relieve congestion. "The train would remove about 45,000 private vehicles and another 10,000 buses and taxis from the highway," the Mexico City daily newspaper El Universal said in May when the SCT was discussing the project.

Cost is also a consideration for the Tren Rápido Transpeninsular proposed for Yucatán, Quintana Roo, and Campeche states, including securing the right of way and the geographical challenges associated with laying down infrastructure. But a plan is already in place for the railway. Milenio said the first phase of the project would connect Mérida to Punta Venado in the Riviera Maya of Quintana Roo. A second phase, planned for the longer term, would expand the route or add connections to the archeological site of Uxmal, the resort of Cancún, the port of Progreso, and Campeche City.

Authorities said a main benefit of the railroad would be to provide transportation for the communities of Tixkokob, Tekantó, Tunkás, Dzitás, and Chemax with both passenger and cargo service. "The governments of Yucatán, Quintana Roo, and Campeche estimate that the entire route could take about two and one-half hours, with trains traveling at 110 km per hour," said Milenio.

There is some interest from companies in Britain, China, Germany, and France in participating in the project. British authorities have already contacted the governments of the three states in the Yucatán Peninsula to offer a list of British companies interested in participating.

And residents are very much in favor of the project. The World Bank recently conducted a cost-benefit assessment of the project, including a survey of 8,000 people who travel between Mérida and Cancún. "The result was unanimous: The Tren Rápido Transpeninsular was cited as the best option," said Milenio.

-- End --