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Highway Concessions - Investment Logistics Program

The Ministry of Transport approved on September 1st, 2015, the Grating Plan related to the concession of a 460 km highway connecting the States of Paraná and Santa Catarina, known as the "Chicken Highway". This is first step towards the US\$18 billion investment on highway infrastructure recently announced by the Brazilian Government.

The "Chicken Highway" is one of the most important logistics corridors of the Brazilian South region. The highway crosses an important meat production center focused on poultry and pork, as well as soybeans and corn. It connects the South region to the State of São Paulo and enables the production flow to the Brazil's most industrialized area. The concession will have a 30-year term. The stretches whose operation will be granted to the private sector comprises BRs 476, 153, 292 and 480.

The Granting Plan of the "Chicken Highway" presents some innovations in relation the last round of highway concessions. The Government incorporated to the draft request of proposals and concession contract suggestions and contributions addressed by the private sector. The innovations include the extension of the term to duplicate the roads from 5 (five) to 7 (seven) years where the road topography is more complex, as well as changes to the qualification requirements. The Brazilian Agency for Terrestrial Transport ("ANTT") has also announced that there will be clearer rules to rebalance the financial-economic equilibrium of the contract.

Foreign companies are strongly encouraged to participate in the upcoming public procurement proceeding. ANTT has promised to allow foreign companies to submit qualification documents belonging to parent companies. Documents issued by foreign international entities will also be allowed. These rules will be of utmost importance to reduce the bureaucracy usually involved in the paper work of Brazilian bidding processes.

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