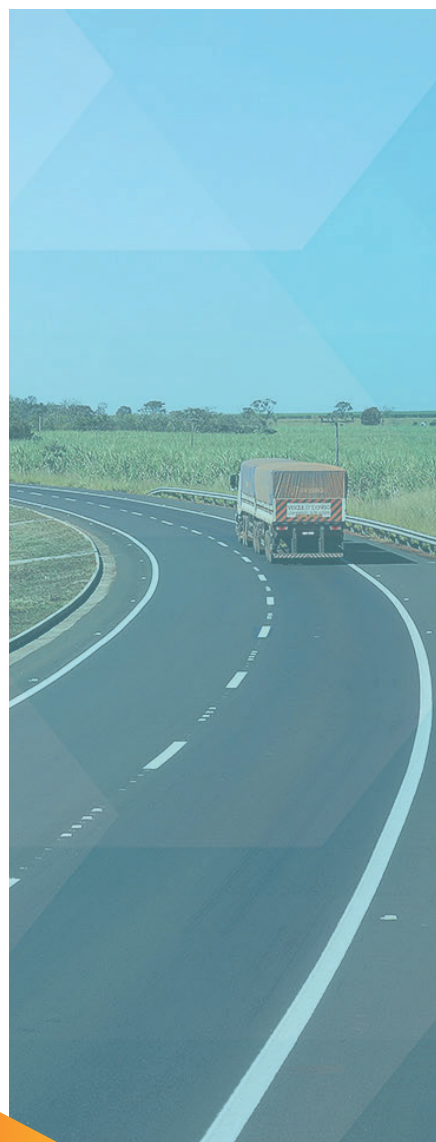


MINISTRY OF
INFRASTRUCTURE



UPDATE ON BRAZIL'S GOVERNMENT INFRASTRUCTURE CONCESSIONS AND INVESTMENTS PROGRAM



COVID-19

CONCESSION PROGRAM MOVE FORWARD WITHOUT CHANGES


The schedule of the concession program from Ministry of Infrastructure continues as planned. Most of the project portfolio is in the internal structuring phase and the auctions scheduled for 2020 are concentrated in the 2nd semester. Therefore, it is premature to assess any change in the schedule due to the current contingency caused by the Coronavirus pandemic (COVID-19). In addition, concessions are long-term investments. Banks, funds and infrastructure operators have been working with revenue prospects for decades, which mitigates the effects of the virus crisis on the projects attractiveness.

MINISTRY ARTICULATES WITH STATES THE FREE FLOW OF CARGO BY ROAD

The Ministry of Infrastructure created the National Council of Transportation Secretaries to prevent any local restrictions from causing a shortage of equipment, goods and medicines in the country. All 26 states and the Federal District have agreed that essential services to cargo transportation must be kept operating.

GOVERNMENT AND MPF SIGN A COOPERATION TERM TO AVOID JUDICIAL LETIGATION IN TRANSPORT

In conjunction with the General Prosecutor, Augusto Aras, the Minister of Infrastructure, Tarcísio Gomes de Freitas, established a cooperation agreement between federal and state prosecutors to ensure the necessary articulation to avoid interruptions of logistics flow and Brazil's supply during the Coronavirus (COVID-19) crisis. The effort between the Government and the MPF is central to assure the free flow of cargo transportation and to guarantee the country's supply.



COVID-19

MEASURES TO MINIMIZE PANDEMIC IMPACTS ON AVIATION

The Ministry of Infrastructure has implemented measures to minimize the economic impact caused by the coronavirus pandemic in the Brazilian air sector. There have been three government initiatives issued through Provisional Measure (MP) and Decree that affect companies, airports and passengers: postponement of charging of air navigation fees, postponement of payment of airport fees without fines, and extension of reimbursement obligations of air companies.

FMM FINANCING WILL HAVE SUSPENDED CHARGES


As another action to face the effects of the Coronavirus (COVID-19), the National Development Bank (BNDES) approved an emergency measure to suspend repayment of loans for up to 6 months. This suspension may be extended to financing contracts signed by BNDES with resources from the Merchant Navy Fund (FMM). FMM financing is made through official federal banks, and BNDES is the main financing agent of the FMM, with R\$ 23.5 billion loan.

INDUSTRY NEWS

CHECK OUT THE KEY HIGHLIGHTS OF THE INFRASTRUCTURE SECTOR IN 2020

INFRAMERICA WILL OPERATE NATAL AIRPORT UNTIL A NEW COMPANY TAKE OVER

Inframerica, São Gonçalo do Amarante Airport concessionaire, formalized the request to return the concession to the National Civil Aviation Agency (ANAC). The current concessionaire will maintain the operation until there is a new bid and a new company take over. The airport's re-bidding process will follow the same preparations procedures for entering into a new partnership, including a new grant plan and the requirements set out by law.



INDUSTRY NEWS

TCU AUTHORIZES CONCESSION OF 4 MORE PORT TERMINALS

The Federal Court of Accounts (TCU) has approved the concession of four more port terminals in the Port of Itaqui, Maranhão. Terminals IQI 101, IQI 111, IQI 112 and IQI 113 are responsible for handling and storing bulk liquid fuels. Port of Itaqui is a reference in distribution that type of cargo due to its strategic geographical position and connection to the rest of the country by road, rail and waterways. The auction is scheduled to the second half of 2020.

MINFRA VISITS THE USA TO BENCHMARK THEIR RAILWAY SYSTEM

A Delegation of Ministry of Infrastructure (MInfra), ANTT and Valec representatives went to the United States to collect references from American initiatives to be applied within the Brazilian rail sector. The invitation came from the US government, through the International Visitors Leadership Program (IVLP), which the USA offers partner governments as a form of cooperation to exchange information and best practices.

FRENCH BUSINESSES AND INVESTORS DISCUSS PARTNERSHIPS WITH MINISTER

The Minister of Infrastructure, Tarcísio Gomes de Freitas, met with the main French companies installed in Brazil at the French Embassy in Brasília to discuss future partnerships with the private sector. At the occasion, Freitas evaluated the international scenario and presented the Federal Government's proposals to maintain investor interest in Brazil, in addition to detailing transport infrastructure projects ready to be granted up to 2022.



PROGRESS OF THE MINISTRY OF INFRASTRUCTURE'S PROJECTS

In this section, the main advances in the portfolio schedules proposed by the Ministry of Infrastructure for implementing partnerships are presented.

MODALITY	PROJECT	ACTIVITY
AIRPORT	6th Round – South, Central and North Blocks	Completion of the receipt of contributions related to the Public Hearing.
HIGHWAY	BR-153/080/414/GO/TO	Protocol forecast at TCU (Federal Court of Accounts) in April/2020.
	BR-163/230/MT/PA	Protocol forecast at TCU (Federal Court of Accounts) in April/2020.
RAILWAY	Early Renewal - Towards Malha Paulista	Prediction of signature of the Additive Term in April/2020.
PORT	TMP/CE – Fortaleza Maritime Passenger Terminal/CE	Auction suspended due to the COVID-19 pandemic.
	IQUI03/11/12/13 - Liquid Bulk Terminals at the port of Itaquí/MA	Published on 03/09/2020, Judgment No. 352/2020 by TCU. Publication of the Public Notice scheduled for April/2020.
	STS14 e STS14A - General cargo handling terminals (cellulose) at the port of Santos/SP	Expected publication of the TCU Judgment in April/2020.
	ATU12 - Solid Bulk Terminal at the port of Aratu/BA	Filed at TCU on 03/30/2020.
	ATU18 - Solid Bulk Terminal at the port of Aratu/BA	Published on 03/26/2020, Resolution No. 107, of the PPI (Investment Partnership Programs), opting for the qualification. Filed at TCU on 03/30/2020
	MAC10 - Liquid Bulk/Sulfuric Acid Terminal at the port of Maceió/AL	Published on 03/26/2020, Resolution No. 107 of the PPI, opting for the qualification. TCU protocol forecast in April/2020.
	MCP02 - Solid Vegetable Bulk Terminal at the port of Santana/AP	Published on 03/26/2020, Resolution No. 107 of the PPI, opting for the qualification. TCU protocol forecast in April/2020.
	VDC10 - Liquid Bulk Terminal at the port of Vila do Conde/PA	Published on 03/26/2020, Resolution No. 107 of the PPI, opting for the qualification.
	PAR50 - Terminal for handling and storage of liquid bulk (fuels) at the port of Paranaguá/PR	Published on 03/26/2020, Resolution No. 107 of the PPI, opting for the qualification.
	TERSAB – Salt Terminal of Areia Branca/RN	Included in the Project Portfolio - Ports. Public Hearing is scheduled to open in April/2020.

GET TO KNOW WHAT ARE THE MEASURES, PROPOSALS AND ACTIONS THAT ARE BEING DISCUSSED IN THE FEDERAL GOVERNMENT AND IN THE NATIONAL CONGRESS FOR INFRASTRUCTURE

DEBENTURES LAW

Proposal for a new law that provides for debentures issued for infrastructure projects considered a priority by the Brazilian Government.

- ✓ **Status:** Under discussion by the economic team.

NEW RAIL LANDMARK (PLS 261/18)

Establishes "authorization" as a modality for rail exploration by the private sector. A statement was given by the rapporteur to the Senate Infrastructure Commission.

- ✓ **Status:** Statement given in the Federal Senate committee

AUTHORIZATION TO IMPLEMENT THE "FREE FLOW" SYSTEM

The substitute for PLC 008/2013, approved by the Infrastructure Committee of the Federal Senate, a toll collection modality operated through free passage systems, without the need for toll plazas.

- ✓ **Status:** Awaiting the rapporteur's opinion at the Federal Senate Economic Affairs Committee

PROVISIONAL MEASURE OF AID TO AIRLINES

MP 925/2020 seeks to preserve the cash flow of airlines and airport concessionaires through mitigating measures, such as postponing the payment of grants and deferring the refund period for airline tickets canceled due to the pandemic of COVID-19.

- ✓ **Status:** Waiting rapporteur appointment and report presentation to the Federal House of Representatives deliberation

NEW ENVIRONMENTAL LICENSING LANDMARK

Simplification and modernization of procedures required to obtain environmental licensing for works in Brazil (PL 3729/2004).

- ✓ **Status:** Pending before the House of Representatives

GENERAL LAW ON CONCESSIONS, PPP AND PUBLIC CONSORTIA

PL 7063/17 reformulates and updates the legal framework for public-private concessions and partnerships.

- ✓ **Status:** Statement approved by a House of Representatives special committee. It will be discussed by the plenary

SEA HIGHWAY

Cabotage incentive package to increase supply, encourage competition, create new routes and reduce costs.

- ✓ **Status:** Under discussion in the Ministry of Infrastructure

NEW SANITATION LANDMARK

Modernization of the regulation of public basic sanitation services, giving way to private investments (PL 3261/19).

- ✓ **Status:** Final text was approved by the House of Representatives and sent to the Federal Senate on 12/19/2019

NEW BIDDING LAW

PL 1292/1995 updates general rules for bidding and contracting for the Brazilian Government, states and municipalities.

- ✓ **Status:** Pending before the Senate

F O R M O R E
N E W S :

www.infraestrutura.gov.br/concessoes



PATRIA AMADA
BRASIL
BRAZILIAN GOVERNMENT