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WHITE & CASE AND CUATRECASAS HELP WIN US\$7 BILLION MEXICAN NETWORK BID

NEWS

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White & Case LLP's offices in Mexico City and Miami have advised Altán on its winning bid to build and operate a wholesale mobile network – one of the largest infrastructure projects of the Peña Nieto administration.

The consortium features Spanish telecoms group Multitel, which hired Cuatrecasas, Gonçalves Pereira's Mexico City and Madrid offices. Altán is also backed by Morgan Stanley Infrastructures, the World Bank's lending arm the International Finance Corporation, Canada's second largest pension fund CDPQ, and Mexican telecoms companies Axtel and Megacable.

Altán was the sole bidder in the tender.

The Red Compartida project will see Altán build and operate a 4G network that operators and virtual network operators can rent. The network will use the 700 MHz band, which became available after Mexico switched from analogue to digital television signals last year.

The network is set to cover more than 92% of Mexico's population – more than the 85% minimum coverage outlined in the auction. It will become operative in early 2018, initially covering 30% of the population. The project is of "enormous visibility in Mexico", says Cuatrecasas partner Javier Villasante. The firm – which opened an office in Mexico City in early 2016 – already has experience of Mexico's oil and gas sector, on account of its long-standing client Pemex. Its role on the Red Compartida bid marks its entry into telecoms.

The project will require some US\$7 billion of investment over the 20-year concession period. The consortium's shareholders have committed capital of US\$750 million, plus an initial US\$2 billion financing package.

Altán won the licence after its only other competitor, a consortium led by Rivada Networks, was disqualified earlier this month for failing to give financial guarantees in its bid. Rivada Networks has filed a legal challenge to the decision.

The project is the largest infrastructure development in Mexico's telecoms sector under President Peña Nieto. The Mexican leader has pledged to improve national network coverage, part of a reform package that aimed to improve competition in the sector, which was long dominated by a few key players.

Counsel to Altán

- White & Case SC
Partners Raúl Fernández-Briseño and Ismael Reyes Retana Tello, and associates Antonio Cárdenas Arriola, Román González Melo, Eduardo Diego-Fernández Forseck, Adolfo Osorio Díaz, Sergio Márquez García Moreno and Fernando García Gómez in Mexico City
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