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Vale to bid for FNS

Companhia Vale do Rio Doce (Vale) announces that it will participate in an auction, for a sub-concession for commercial exploitation of a 720 km stretch of the North-South railroad (FNS). This stretch runs from Açailândia, State of Maranhão, to Palmas, State of Tocantins, in Brazil. The auction will take place on October 3rd, 2007, at 10:00am, Rio de Janeiro time, at the São Paulo Stock Exchange (Bovespa).

Auction bids will be made through sealed envelopes, and the first minimum bid will be for R\$ 1,478,205,000. The winner of the auction will be responsible for the operation, maintenance, control, improvements and adaptations of the stretch for 30 years. FNS is being implemented by VALEC - Engineering, Construction and Railroads S.A. (VALEC), a state-owned company run by the Ministry of Transportation, which is the current holder of the concession for building and operating the railroad.

Since 1996, Vale has operated a 225km stretch of the FNS, linking the cities of Açailândia and Estreito in the State of Maranhão. At Estreito, FNS connects with the Carajás railroad (EFC), enabling access to the port of Itaqui, in São Luís, where Vale operates the Ponta da Madeira maritime terminal.

This project will open up a new corridor for the transportation of general cargo, mainly for the export of soybeans, alcohol and sugar, produced in the Center-North region of Brazil. Vale's participation in the auction is consistent with the strategy of its logistics businesses.

More information



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