MASTEC INC
Form 11-K
June 28, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)**

For the fiscal year ended December 31, 2006

OR

o **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)**

Commission File Number 0-3797

A. Full title of the plan and the address of the plan, if different from that of the issuer named below

The MasTec, Inc. 401(k) Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office

MasTec, Inc.
800 S. Douglas Road, Suite 1200
Coral Gables, FL 33134

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Trustees
The MasTec, Inc. 401(k) Retirement Plan
Coral Gables, FL

We have audited the accompanying statements of net assets available for benefits of The MasTec, Inc. 401(k) Retirement Plan (the Plan) as of December 31, 2006 and December 31, 2005, and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of the Plan s internal controls over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of delinquent deposits of participant contributions and of assets (held at end of year) as of December 31, 2006 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ BDO Seidman, LLP
June 27, 2007
Miami, FL

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The MasTec, Inc. 401(k)
Retirement Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2006	**2005**
Assets		
Investments, at fair value	$ 29,251,295	$ 27,511,887
Receivables:		
Contributions from employer	112,229	
Contributions from plan participants	208,143	240,364
Total net assets available for benefits	$ 29,571,667	$ 27,752,251

See accompanying notes to the financial statements.

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The MasTec, Inc. 401(k)
Retirement Plan
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2006

Additions to net assets attributed to:	
Investment income:	
Dividend and interest income	$ 208,486
Net appreciation in fair value of investments	2,446,719
	2,655,205
Contributions:	
Employer	441,608
Participants	2,465,305
Rollover and other	200,932
	3,107,845
Total additions	5,763,050
Deductions to net assets attributed to:	
Benefit payments	(3,858,854)
Administrative expenses	(84,780)
Total deductions	(3,943,634)
Net increase in net assets available for benefits	1,819,416
Net assets available for benefits at beginning of year	27,752,251
Net assets available for benefits at end of year	$ 29,571,667

See accompanying notes to the financial statements.

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The MasTec, Inc. 401(k)
Retirement Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

NOTE A DESCRIPTION OF PLAN

Description of the Plan

The following description of The MasTec, Inc. 401(k) Retirement Savings Plan (the Plan), as amended, provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan s provisions.

General

The Plan is a defined contribution plan covering all eligible employees of MasTec, Inc. (the Company) who have completed at least six months of service. Employees enter the Plan on the first day of the month coinciding with or the next month following the date on which they meet the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan Amendment

Effective August 1, 2003, the Plan was amended and restated and a new custodian of the Plan was appointed. Plan assets transferred to the new custodian were transferred into funds comparable to those offered by the previous custodian. The conversion initiated a Black Out period. During this period, there were no exchanges among employee-directed accounts until the custodian had time to accurately complete the conversion. At the end of the Black Out period, these funds were transferred to the new custodian and invested in the new funds. The amended and restated Plan document incorporated the new requirements of the Uruguay Round Agreements Act, Uniformed Services Employment and Reemployment Rights Act of 1994, Small Business Job Protection Act of 1996, Taxpayer Relief Act of 1997, and the Internal Revenue Service Restructuring and Reform Act of 1998. In late 2003, the Plan was again amended to take into account provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

Effective March 28, 2005, the Plan adopted the automatic rollover rules, as specified by the EGTRRA, which mandate that a terminated participant with a vested balance of more than $1,000, but equal or less than $5,000 will have their vested account balance rolled over to an Individual Retirement Account (IRA) if the terminated participants fail to make a distribution election.

Contributions

Each year, participants may elect to defer from 1% to 75% of pretax annual compensation received during the year, subject to certain limitations as defined by the Plan. Participants may contribute amounts representing distributions from other qualified defined contribution or defined benefit plans at the discretion of the Plan administrator. The Company, at its option, may make discretionary matching contributions for participants. Beginning with the first quarter of 2006, the Company re-instated its employer match program. The match is the lesser of 1% of the employee s salary or 100% of the employee s contribution to the Plan. The match is credited on a quarterly basis with the Company s common stock.

Contributions from participants are recorded when payroll deductions are made. The Plan is required to return contributions received during the Plan year in excess of the Internal Revenue Service (IRS) limits.

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Upon enrollment, a participant may direct employee contributions in 1% increments to any of the Plan s fund options. Participants may change their investment options daily.

The discretionary Company contributions accrue to the Plan when declared and are remitted prior to the date the Company files its federal income tax return for the corresponding fiscal year of the Company. The Company matching contribution is in the form of Company common stock and is not subject to participant direction. During the year ended December 31, 2006, there were no discretionary contributions made to the Plan.

Participants Accounts

Each participant s account is credited with the participant s contributions and allocations of the Company s contribution and Plan investment results. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account. Upon distribution of the account to a participant who separates from service before vesting, the portion of the account attributable to Company contributions is forfeited. Forfeited balances of participants nonvested accounts are used to reduce future Company contributions or pay administrative expenses of the Plan.

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. A Plan year during which an employee works at least 1,000 hours is counted as one year of vesting service. A participant becomes 100% vested in the remainder of his or her account upon the occurrence of any of the following events:

(a) The participant dies while in service as an employee;

(b) The participant becomes totally and permanently disabled while still in service as an employee; or

(c) The Plan is terminated by the Company.

Vesting in the Company contribution portion of their account plus actual earnings thereon is based on the years of vesting service. This is based upon the following gradual vesting scale:

Years of Service	Percentage
1	33%
2	66%
3 or more	100%

Forfeitures

Forfeitures of nonvested participant account balances are allocated to the general funds of the Plan and are applied first to pay administrative expenses of the Plan paid for by the Company and then to reduce contributions otherwise required of the employer. At December 31, 2006 and 2005, unallocated forfeited accounts totaled $222,902 and $226,825, respectively.

Participant Loans

A participant is only entitled to make a withdrawal from his or her account prior to separation from service if the participant qualifies for a hardship withdrawal or a participant loan. The Plan s loan feature allows participants and beneficiaries to borrow up to a maximum equal to the lesser of $50,000 or 50% of their accrued vested benefit. The loans bear interest at the published prime rate in the Wall Street Journal plus 1%, at the date of the loan. Loan terms range from 1 to 5 years or may exceed 5 years for the purchase of a primary residence. Loans provide level amortization for repayments to be made not less frequently than on a quarterly basis. Repayment generally is made by payroll deduction. Participants pay certain administrative expenses associated with the loan, including document preparation and filing fees. During 2007, the Plan was amended to only allow one loan per participant to be outstanding at any given time.

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Payments of Benefits

Upon termination of service due to death, disability, or retirement, a participant is entitled to receive payment of the vested accrued benefit in a single lump sum or the payment can be deferred until a later retirement age upon election by the participant. For termination of service due to other reasons, a participant is entitled to receive only the vested percentage of his account balance.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Plan are prepared in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options for participants to choose in combinations of Company stock fund, pooled separate accounts and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the statement of net assets available for benefits.

Investment Valuation and Income Recognition

Plan investments are stated at estimated fair values, except for the Massachusetts Mutual Life Insurance Company (Mass Mutual) Guaranteed Interest Account and participant loans. The Mass Mutual Guaranteed Interest Account is comprised of investment contracts valued at contract value as estimated by the trustee. Participant loans are stated at cost plus accrued interest, which approximates their fair value. The MasTec, Inc. Stock Fund is valued at its quoted price on the last business day of the Plan year. Estimated fair values of the pooled separate accounts and the fixed income fund have been determined based on the unit values of the funds. Unit values at December 31, 2006 and 2005 are determined by Mass Mutual by dividing the fund net assets at fair value by its units of participation outstanding. At December 31, 2006 and 2005, respectively, Mass Mutual is the custodian of the Plan. As described in Financial Accounting Standards Board Staff Position AAG INV-1 and Statement of Position (SOP) 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined contribution plan are required to be reported at fair value. The Plan adopted FSP AAG INV-1 in 2006. The adoption did not have a material effect on the Plan s financial statements. Contract value, which represents net contributions plus interest at the contract rate, approximates fair value. The contracts are fully benefit-responsive, as defined in FSP AAG INV-1 and SOP 94-4-1.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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Administrative Expenses

All administrative expenses of the Plan are chargeable to the Plan. The Company may, at its sole discretion, pay any such expenses, in whole or in part.

Benefit Payments

Benefits are recorded when paid.

NOTE C INVESTMENTS

The estimated fair values of individual investments that represent 5% or more of the Plan s net assets at December 31, 2006 and 2005 are as follows:

	December 31, 2006
Investment Contract #SF51706 with Mass Mutual:	
SF Guaranteed	$ 4,203,593
MM Growth Equity	3,031,720
Moderate Journey	2,848,099
Aggressive Journey	2,795,599
MM Indexed Equity	1,849,116
Ultra Aggressive Journey	2,147,703
MM Fundamental Value (Wellington)	2,187,424
MM Select Overseas (MFS / Harris)	1,715,252
MasTec, Inc. Stock Fund (a)	$ 4,601,899

(a) Includes nonparticipant-directed amounts

	December 31, 2005
Investment Contract #SF51706 with Mass Mutual:	
SF Guaranteed	$ 3,670,729
MM Growth Equity	3,280,856
Aggressive Journey	2,776,302
Moderate Journey	2,593,985
Ultra Aggressive Journey	2,055,063
MM Indexed Equity	1,882,428
MM Fundamental Value (Wellington)	1,738,910
MasTec, Inc. Stock Fund (a)	$ 4,661,065

(a) Includes nonparticipant-directed amounts

The Plan s investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value for the year ended December 31, 2006 as follows:

Pooled Separate Accounts	$ 1,950,931
MasTec, Inc. Stock Fund (a)	495,788
	$ 2,446,719

(a) Includes nonparticipant-directed amounts

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NOTE D INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan maintains a fully benefit-responsive investment contract with Mass Mutual. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses charged by Mass Mutual. As described in Note B, because the investment is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. Contract value, as reported by Mass Mutual, represents contributions made under the contract plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value; however, the investment contract is subject to certain restrictions which may impact the Plan s ability to fully realize the investment contract s value under certain conditions. The average yield and crediting interest rates on the contract was 3% for 2006. Certain events limit the ability of the investment contract to transact at contract value with the issuer of its investment contracts. Specifically, any event outside the normal operation of the investment contract which causes a withdrawal from an investment may result in a negative market value adjustment with respect to such withdrawals. Such events include, but are not limited to, the following: (1) partial or complete legal termination of the investment contract, (2) tax disqualification of the investment contract or participant, or (3) certain investment contract amendments if issuers consent is not obtained. As of December 31, 2006, the occurrence of an event outside the normal operation of the investment contract which would cause a withdrawal from an investment contract is not considered to be probable.

NOTE E NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and significant components of changes in net assets related to the investment that includes non-participant-directed amounts is as follows:

	December 31,	
	2006	**2005**
MasTec, Inc. Stock Fund	$ 3,042,723	$ 2,881,393

Changes in Net Assets	**Year Ended December 31, 2006**
Contributions	$ 329,380
Net appreciation in fair value of investments	307,279
Dividend and interest income	327
Benefit payments	(408,577)
Administrative expenses	(19,830)
Other	(47,249)
	$ 161,330

NOTE F INCOME TAX STATUS

On August 1, 2003, the Company adopted the Massachusetts Mutual Life Insurance Company FlexInvest Non-Standardized 401(k) Profit Sharing Plan. This non-standardized prototype plan received a favorable opinion letter from the IRS on April 23, 2002 stating that the form of the plan is acceptable under Section 401(a) of the Internal Revenue Code (the Code).

Before restatement of the Plan in August 2003, the MasTec, Inc. 401(k) Retirement Plan was an individually designed Plan for which the IRS issued a favorable determination as to its tax-qualified status by letter dated September 5, 2002.

Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

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NOTE G PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments include units of pooled separate accounts and a fixed income fund, managed by Mass Mutual. Mass Mutual is the custodian, as defined by the Plan, and therefore, such transactions are considered party-in-interest transactions. The Plan held investments in the Company common stock fund with a fair value of approximately $4,601,899 and $4,661,065 as of December 31, 2006 and 2005, respectively. The Company is a related party and these transactions qualify as party-in-interest. In addition, there are $1,196,215 and $1,224,721 in outstanding participant loans as of December 31, 2006 and 2005, respectively.

NOTE H PROHIBITED TRANSACTIONS

During 2006, the Company failed to remit to the Plan s trustee certain employee contributions totaling $208,143 within the period prescribed by the Department of Labor Regulations. Delays in remitting contributions to the Trustee were due to administrative error during the period. All late remittances were eventually contributed into the Plan within a period not exceeding 45 days after the employee withholding. The Company will make contributions to participants for any lost earnings and interest. Such interest is not considered material to the Plan as a whole.

NOTE I PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested in their employer Contributions.

NOTE J SUBSEQUENT EVENT

On February 14, 2007, the Company sold substantially all of its state Department of Transportation related projects and underlying net assets to a third party. As a result of the sale, all employees were transferred to the new Company. Due to the sale of the state Department of Transportation, the plan assets could be significantly reduced in 2007 if such employees elected to transfer plan assets to a new plan or withdraw their assets from the plan. The amount of the expected transfers or withdrawals cannot be quantified at the current time because of changes in value of participants accounts and the fact that these employees have not taken action as yet.

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The MasTec, Inc.
401(k) Retirement Plan
Employer Identification Number 65-0829355
Plan # 002
SCHEDULE H, LINE 4a
DELINQUENT DEPOSITS OF PARTICIPANT CONTRIBUTIONS
December 31, 2006

Participant Contributions of the Current Plan Year Not Deposited Into the Plan Within the Time Period Described in 29CFR 2510.3-102	$ 208,143
Amount fully corrected under the DOL s Voluntary Fiduciary Correction Program (VFC Program) and PTE 2002-51 (a)	
Delinquent Deposits of Current Plan Year Participant Contributions Constituting Prohibited Transactions	208,143
Delinquent Deposits of Prior Year Participant Contributions Not Fully Corrected	
Total Delinquent Deposits of participant Contributions Constituting Prohibited Transactions	$ 208,143

(a) At December 31, 2006, $208,143 of participant contributions and $1,366 of interest remained outstanding.

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The MasTec, Inc.
401(k) Retirement Plan
Employer Identification Number 65-0829355
Plan # 002
SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2006

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
*	Investment Contract #SF51706 with Mass Mutual:			
	SF Guaranteed	Fixed Income Fund	**	$ 4,203,593
	Holding Account	Holding		2
	MM Total Return Bond (PIMCO)	Pooled Separate Account	**	278,639
	Conservative Journey	Pooled Separate Account	**	629,304
	Moderate Journey	Pooled Separate Account	**	2,848,099
	Aggressive Journey	Pooled Separate Account	**	2,795,599
	Ultra Aggressive Journey	Pooled Separate Account	**	2,147,703
	MM Fundamental Value (Wellington)	Pooled Separate Account	**	2,187,424
	MM Indexed Equity	Pooled Separate Account	**	1,849,116
	MM Growth Equity	Pooled Separate Account	**	3,031,720
	MM Focused Value (Harris)	Pooled Separate Account	**	271,238
	DLB Sm Co Opportunities (Babson)	Pooled Separate Account	**	524,943
	MM MidCap Growth II (T. Rowe Price)	Pooled Separate Account	**	436,119
	MM Sm Co Growth (Mazama)	Pooled Separate Account	**	503,716
	MM Select Overseas (MFS / Harris)	Pooled Separate Account	**	1,715,252
	Levd Co. Stock (Fidelity)	Pooled Separate Account	**	691
	Premier Focused International (Baring)	Pooled Separate Account	**	20,215
	Set Blue Chip Growth (T. Rowe Price)	Pooled Separate Account	**	9,808
				23,453,181
*	Mass Mutual MasTec, Inc. Stock Fund	Separate Account	$3,141,326	4,601,899
*	Participants Loans	Loans (interest rates range from 5.25% to 10.00%)		1,196,215
				$29,251,295

* Represents a party-in-interest

** Not applicable as the investment is participant-directed

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustee (or other persons who administer the employee benefit plan) has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

The MasTec, Inc. 401(k) Retirement Plan

/s/ Jose R. Mas
Jose R. Mas
Chairman, Benefits Committee of MasTec, Inc.

Date: June 27, 2007

/s/ C. Robert Campbell
C. Robert Campbell
Chief Financial Officer of MasTec, Inc.