Background

The South Orient Rail Line (SORL) extends approximately 391 miles from San Angelo Junction in Coleman County through San Angelo and the Permian Basin to Presidio at the Texas-Mexico border. Under the direction of the Texas Legislature, on February 2, 2001, the state purchased the SORL to prevent its abandonment. Under the agreement, TxDOT became the railroad’s permanent owner and Texas Pacifico (TXPF) – a subsidiary of Grupo México which owns Ferromex, the largest railroad in Mexico – obtained a 40-year operating lease with renewal options. According to lease terms, the TxDOT Rail Division and TXPF met during the week of October 4-8, 2021 for an annual inspection.

Partnership and Economic Development

The SORL facilitates significant economic activity throughout Texas, allowing shipping of agricultural products, energy resources, lumber, steel, and other goods. Proximity to the Permian Basin and connections to markets play a critical role in supporting the Texas oil and gas industry, and prospects for new international markets are on the horizon. Since 2010, the year following the start of TxDOT and TXPF’s rehabilitation of the SORL track, carloads increased every year through 2017. The shared objective of the SORL for both TxDOT and TXPF is to reestablish international commercial rail service, as specified in the lease. Funding and constructing a freight rail inspection facility near the Presidio-Ojinaga port of entry is the final remaining project component necessary for international train service to begin, as required by U.S. Customs and Border Protection (CBP).

Commodities

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2021 Traffic

Through September 2021, TXPF moved 4,245 carloads, on pace for about 6,500 for the calendar year.

Future Prospects

Business shifts in the Permian Basin energy industry resulted in decreased demand for sand shipments over the SORL, but opportunities for renewed international trade across the rail bridge in Presidio are expanding.

San Angelo Junction, the eastern beginning of the line, interchange with BNSF & FWWR

The rebuilt rail bridge over the Rio Grande and track upgrades over most of the line make cross-border rail shipment possible. TxDOT, TXPF, and CBP are working to design a state-of-the-art inspection station, the final improvement needed for trade to resume.
Infrastructure & Construction Review

TXPF implemented a large capital improvement plan to rehabilitate and upgrade the state-owned facilities on the SORL. They completed $110 million in upgrades, including construction of the new international rail bridge in Presidio, and plans $40 million in additional improvements. TxDOT and the Federal Railroad Administration contributed additional funds and resources, most recently with a $7M project, completed in October 2021, to improve grade crossings, ties, and bridges in Presidio County. See the right panel for more information.

TRACK PROJECTS, AUGUST 2020 – OCTOBER 2021:

- Completion of the International Bridge at Presidio over the Rio Grande.
- 115 lb. rail relay between MP 877-897.3, upgrade to Class 3 track.
- Track rehab from 897.3 to 945 upgrade to Class 1 track.
- Bridge inspection program over the whole line.
- Ultrasonic rail flaw detection and repair.
- 238 miles of geometry car inspection.
- Bridge and drainage improvements to put track back in service, MP 956-1028.
- Presidio ROW improvements, access roads, crossing upgrade.

Infrastructure Outlook

The capital investments and rehabilitation of the line over the last ten years has primed the SORL to meet expanding market demands. Most of the line is improved to handle modern train equipment at 40 mph speeds. The capacity increases and trade prospects led to investment from shippers. The San Angelo Rail Park, pictured left and in construction, will be a multi-commodity transportation interchange serving regional bulk commodity shippers with domestic and international freight connections.

After joint inspection by TxDOT and TXPF in October, the team found that the remaining infrastructure investment and rehabilitation needs are primarily on the Alpine Subdivision between Belding and Alpine, where original 70 lb. rail is still in service. The TXPF capital improvement plan includes this area.

From the state perspective, the investment focus shifts to the efforts to resume cross-border trade. CBP requires a project sponsor to construct a permanent facility for inspection and processing of trains crossing the border. TxDOT assumes responsibility for designing and building the estimated $33 million facility. TxDOT will use a combination of public and private funds for the 2-year project. TXPF desires to start international train service before the permanent facility is completed. They are pursuing interim arrangements with CBP for an earlier start to train operations.