

2022 South Orient Rail Line Annual Report

TxDOT RAIL DIVISION



2022 SORL Annual Report

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 assumed permanent ownership of the railroad and Texas Pacifico (TXPF), a subsidiary of Grupo México, the largest railroad company in Mexico, secured a 40-year operating lease with renewal options. Recently, on the week of April 24, 2023, TxDOT Rail Division and TXPF convened for an annual inspection, as outlined in the lease terms.



2023 Traffic Projections

Through April 2023, TXPF moved 3,757 carloads, on pace for about 9,200 for the year. This could increase significantly pending border trade agreements with CBP.

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.



The rebuilt rail bridge over the Rio Grande and track upgrades over most of the line make cross-border rail shipment possible. TxDOT will complete a facility for CBP inspections by the fall of 2024. TXPF is working with federal agencies to begin interim train operations this year.

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. TxDOT projects that over a billion dollars of freight will move down the line per year upon the opening of the Presidio international rail bridge. 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Minerals	6,506	15,269	22,906	22,104	25,212	40,006	32,367	7,821	1,962	3,631	7,142	164,370
Energy	2,214	5,787	1,422	416	1,040	0	897	2,775	302	187	147	11,776
Metals	326	404	333	342	303	361	303	497	1,881	592	623	2,372
Agriculture	874	927	196	953	1,369	749	691	1,160	958	621	370	5,759
Industrials	0	0	0	1,362	1,406	959	2,545	3,724	1,662	327	40	6,272
Misc/cement	729	1,171	503	726	1,185	1,125	1,286	2,686	244	282	614	6,725
Chemicals	0	0	0	0	0	557	360	292	321	310	352	917
Totals	10,649	25,571	25,360	25,903	30,515	43,757	38,449	18,955	7,330	5,950	9,288	202,216

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Infrastructure & Construction Review

TXPF continues the implementation of a large capital improvement plan to rehabilitate and upgrade the state-owned facilities on the SORL. They completed over \$110 million in upgrades since the beginning of operations, including construction of the new international rail bridge in Presidio, and plan \$40 million in additional improvements. Highlight capital investments from 2022 are listed below:

HIGHLIGHT 2022 TXPF TRACK AND BRIDGE PROJECTS

- Repair of ties, culverts, and bulkheads along MP 18-64.
- Bridge rehabilitation from MP 840-860.
- Treatment of washout issues, MP 892-end, to maintain 2021 TxDOT upgrades.
- New bridge at MP 930.
- Signal and replank of US 67 crossing between Fort Stockton and Alpine.
- Program to address property fence intrusion issues.



washout-prone areas refurbished



115 pound new rail relays west of Fort Stockton to enable international traffic

2021 Presidio County Rehabilitation Project

Completed in October 2021 and financially closed last year. Funded by a \$7M federal FASTLANE grant and over \$3M in matching funds from TXPF and the state.



Accomplishments

- 35 crossings renewed
- 36 bridges have various repairs
- 16,000 crossties replaced between mp956.7 and mp972
- 18 miles of surfacing
- 9,583 CY of ditches
- 4,100 CY of rip rap

Infrastructure Outlook

The capital investments and rehabilitation of the line over the last ten years have primed the SORL to meet expanding market demands. 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.

The San Angelo Rail Park, pictured at right, is an example of the latent economic demand for renewed cross-border rail and growth of the Ports-to-Plains corridor in Texas. The development is a partnership between the San Angelo Economic Development Corporation and South Plains and Lamesa Railroad, with shipping agreements through TXPF. The facility is a multi-commodity transportation interchange serving regional bulk commodity shippers and connecting them into the domestic and international freight transportation system for both national and international market access.