

BINATIONAL RAIL: CONNECTING THE REGION

FRONTERA FRIDAY ISSUE BRIEF NO. 3

Frontera Fridays are quarterly events that connect leaders from both sides of the border to UC San Diego and serve as a platform for learning, networking and discussing opportunities and challenges that make our binational region unique. They are organized by the Center for U.S.-Mexican Studies (USMEX) at the School of Global Policy and Strategy (GPS) and the Urban Studies and Planning Program (USP) and honor the legacy of Chuck Nathanson and the San Diego Dialogue.

In 2014, the value of two-way trade between California and Mexico reached over \$66 Billion. In our region, the long wait times for trucks at the three commercial ports of entry – Otay Mesa, Tecate, and Calexico – inhibit productivity. The combination of the frustration with inefficient wait times, the growth of new manufacturing facilities, and the changes in supply chain manufacturing systems, has spurred renewed interest on both sides of the border to revive a long dormant portion of the California-Baja California logistics system – the short line railroad from San Diego, through Tijuana and Tecate to Imperial Valley.

Early in the 20th century, sugar magnate John D. Spreckels, who had developed a passenger street car system in San Diego, saw the need to extend rail service from San Diego to Imperial County and from there to the rest of the nation. He built the line, which started operations in 1919 after overcoming significant engineering challenges. Initially, the San Diego & Arizona Rail Company (SDA&E) operated the entire line as a single entity with a 99 year lease from the Mexican federal government. This permitted Spreckels to operate the Tijuana to Tecate portion of the line.

Floods, and other disasters interrupted service at various times over the years. In 1932, a landslide destroyed a portion of the original line and prompted construction of the largest wooden trestle bridge in the U.S. at Goat Canyon. Passenger service ceased in 1951. In 1970, the 44 mile section of the rail line located in Baja California was transferred back to Mexico's federal government, and in 1979, San Diego's Metropolitan Transit Development Board (MTDB) acquired SDA&E and began to use the tracks in San Diego to develop the current light rail trolley system. In 1983, storms destroyed major parts of the portion of the line from Campo to Imperial County (known commonly as the Desert Line) and service on that portion was discontinued for many years.

In 2000, Ferrocarriles Mexicanos transferred the Tijuana-Tecate portion of the line to the state of Baja California, which created the Administradora de la Via Corte Tijuana-Tecate (AdmiCarga) – a government subagency of the State's Department of Infrastructure and Development – to administer the rail line. AdmiCarga granted the concession for management, improvements and operation of the Baja section to the Carrizo Gorge Railway, Inc. and subsequently to Baja California Railroad, Inc. (BJRR).

The last effort to rehabilitate and improve freight service through the entire short rail line was undertaken by Carrizo Gorge Railway in the early 2000's. Carrizo Gorge received rights to manage the entire line, including the Baja portion of the rail, and provided freight service from 2005-2008. However, service was stopped again due to the need for new tunnel and bridge repairs.

Currently, freight uses the existing line moving from San Ysidro north – connecting to the Burlington Northern & Santa Fe (BNSF) lines which go to the LA/Long Beach ports and connect to other routes along their national network. Meanwhile, at the other end of short rail system in Plaster City, the system is linked to Union Pacific's network which provides service to both the eastern U.S. and connection to rail service in mainland Mexico.

MTDB granted a concession to Pacific Imperial Rail Group (PIR) in late 2012 to rehabilitate and administer the California portion of the Desert line with a goal of restoring freight service by the end of this year. The deadlines were recently extended by MTDB, and PIR and BJRR signed an MOU agreeing to collaborate to reopen a full line from San Diego to Imperial County. However, the San Diego region faces a unique freight rail challenge in that all of the major rail lines are shared passenger and freight rail assets. And the biggest challenge to a functioning system remains rehabilitation and upgrading of the Desert Line – tunnels need to be cleared and bridges repaired and upgraded to enable that portion to carry modern freight containers.

The region now should examine key questions of how best to utilize this asset. What market issues and what policy issues need to be understood in order to develop a fully modern intermodal system for rail, truck and seaport trade? Are new government mechanisms for binational management and oversight of our cross-border transportation networks needed? What data and information do we need to insure the financial viability of the railroad's rehabilitation and advance the region's economic growth?