



**BORDER & BAJA**

## **Rebuilding historic U.S.-Mexico rail link**

By Sandra Dibble (/staff/sandra-dibble/) 01:52p.m. Feb 11, 2013



Advocates of cross-border freight train service are cautiously applauding moves by groups of U.S. and Mexican investors to rebuild two key rail links that connect Tijuana and Imperial County.

The projects are being formed separately, and it could be several years before any trains ferry product parts and finished goods from Tijuana's maquiladora industry into the United States. But proponents said that taken together, the efforts could restore a significant link to the main U.S. rail system.

The rail service would allow exporters from Mexico to avoid northbound truck delays at the congested Otay Mesa commercial crossing, as well as the need to switch drivers at the international border.

Preliminary estimates show that the two companies embarking on the rehabilitation plans could spend upward of \$120 million.

The current situation “is very inefficient, it’s expensive, it just takes away from the competitiveness of the region,” said Joe Da Rosa, president of Toyota Manufacturing de Baja California, which assembles Tacoma pickups at a plant outside Tecate and then sends them by truck to the United States. The rail lines would also be valuable for importing components from the U.S. into Tijuana for the maquiladoras or other businesses, he said.



(/photos/2013/feb/02/782647/)

Built in 1919 by sugar magnate John Spreckels (<http://www.sdrm.org/history/sda/history.html>), the track created a rail linkage from San Diego to the east, dipping into Mexico before re-entering the United States at Campo and finally reaching Plaster City in Imperial County. Fires, floods and collapsed bridges and tunnels led to closure of the 70-mile stretch between Campo and Plaster City, known as the Desert Line, in recent decades.

The last operator, Lakeside-based Carrizo Gorge Railway, (<http://legacy.utsandiego.com/news/metro/20041231-9999-1m31train.html>) was able to re-establish limited service in 2004. Those operations stopped in 2008 after the San Diego Metropolitan Transit System, which owns the Desert Line, raised concerns about its safety and demanded repairs that Carrizo Gorge could not afford.

While economic difficulties, lawsuits by past investors and legal battles among Carrizo’s shareholders have stalled efforts to resume service on the Desert Line, groups on both sides of the border continue to see the rail link as offering much promise for the greater region.

“It is one of the emblematic projects that we’re promoting,” said David Moreno, director of the Tijuana Economic Development Council. “We are certain that if we start rebuilding the line, companies would increase their investments.”

## Document



(/documents/2013/feb/11/  
line-lease-and-operating-  
agreement/)

**Desert Line Lease and**

Christina Luhn, director of the Mega-Region Initiative for the San Diego Regional Economic Development Corp., said she is “guardedly optimistic” about the latest attempts to reopen the rail lines. “It’s not a done deal, but it’s the best news I’ve heard since I learned about the rail issues,” she added.

In Tijuana this month, directors of Baja California Railroad Inc. announced a plan to invest \$20 million in rebuilding a section of the 44.4-mile line between Tijuana and Tecate.

Dimas Campos, owner of a group of gas stations in Tijuana and managing director of Baja California Railroad, said the sum would be used for “profound rehabilitation” of a 12.5-mile stretch of tracks between San Ysidro and El Florido in eastern Tijuana. The project is scheduled to start in May.

“We know the business is there, we’ve already sat down with a lot of companies. They are committed to coming on board and moving (products) by rail, but obviously they’re going to wait until the track is rehabbed completely,” said Alejandro de la Torre, a partner in the Mexican project.

The company was granted a 30-year contract to operate the line by the Baja California agency Admicarga. Jorge Monraz, director of Admicarga, said the line is owned by Mexico’s federal government and that the agreement was approved by the federal Communications and Transportation Secretariat. He said the contract, which was not publicly available, obligates Baja California Railroad to invest the \$20 million for repairs and upgrades during the first five years.

No matter what happens in Baja California, cross-border service into California can’t be re-established until the Desert Line can also be opened.

In December, MTS and Pacific Imperial Railroad Inc. signed a 50-year-lease — with an option to renew for 49 more years — for the company to rehabilitate that track ([http://www.sdmts.com/MTS/documents/2013-1-15FinalPkg\\_000.pdf](http://www.sdmts.com/MTS/documents/2013-1-15FinalPkg_000.pdf)).

“The deal has very tight strings associated with it,” said Paul Jablonski, chief executive of MTS. “It wasn’t just, ‘We’ll see you in 100 years.’ We have very specific milestones associated with this, and if they don’t achieve them, we’ll take it back.”

Donald Stoecklein, a San Diego attorney who is the president and legal representative for Pacific Imperial Railroad, outlined the proposal during a meeting with the San Diego Regional Chamber of Commerce’s Mexico Business Center this month.

“The primary goal is to move product out of the maquiladora region,” Stoecklein said.

His company is working with investment bankers to secure financing and has hired a contractor to calculate the expense of fixing the line, he said. “We have 57 bridges and tunnels that we have to fix,” Stoecklein said. “We needed 99 years so that our investors could get a return.”

Charles McHaffie, former CEO of Carrizo Gorge Railway

(<http://legacy.utsandiego.com/news/mexico/tijuana/20080103-9999-1b3rail.html>), is a main player in the new Desert Line venture. This has not sat well with some of his former associates who continue to battle him in court and oppose the new lease.

Jablonski defended the contract’s “very strict performance guidelines,” which require the trains to achieve a “minimal level of service” within the next 14 months and full service — four to five trains daily in each direction — within five years.

McHaffie “seems to be a fair way along in the process of securing the necessary investment to actually carry this out,” Jablonski said.

Informal estimates put the cost of repairs at close to \$100 million, according to MTS. Toyota’s Da Rosa, whose company would be an important client of any future railway service in that area, called the agreement “a big step.”

“Previously, it wasn’t clear who really had control of the line, and now it’s clear. We have a group on the U.S. side that now has clear responsibility,” he added. “I have a group of about 10 large companies in this region that I meet with frequently. They would use the rail line the moment it becomes operational.”

f (<http://twitter.com/16commentsh>) (<https://www.facebook.com/16commentsh>) 16 COMMENTS



## New director for Tijuana's Cultural Center

(/news/2013/feb/08/new-director-for-tijuanas-cultural-center/)

16

COMMENTS

BE RELEVANT, RESPECTFUL, HONEST, DISCREET AND RESPONSIBLE. VIEW TERMS (/TERMSOFUSE/#DISCLAIMER)

16 comments ▼



Add a comment...

Comment

Posting as Christina Anne Luhn (Not you?)

Post to Facebook



**H Chalmers Kerr Jr** · Missouri University of Science and Technology

If the rail line is opened all the way to Plaster City it would be a boon for San Diego as well as Tijuana. Who knows, someday passenger service might return to the railroad. A long held dream by many persons in the area. However, don't hold your breath...

[Reply](#) · [Like](#) · [Follow Post](#) · February 15 at 1:00pm



**David Kier** · Orange Glen High

Does the San Diego Trolley line (that uses the rails to/ from Tijuana and Tecate) permit freight trains to run on them again?

[Reply](#) · [Like](#) · [Follow Post](#) · February 13 at 3:56pm



**Tony Burzio** · ★ Top Commenter · Carnegie Mellon University

It simple really. Toyota is responding to the imminent completion of the 3rd Panama Canal. Car parts, which used to be unloaded in Long Beach in containers, will go directly to Louisiana and be trucked to assembly plants in non-union states. They still need to supply California and Arizona, however, so the plan is to assemble cars in Mexico to service this region while still keeping away from the union controlled ports.

[Reply](#) · [Like](#) · [Follow Post](#) · February 12 at 2:44pm

[View 6 more](#) ▼

Facebook social plugin

SEARCH



**NEWS (/NEWS/)**



**SPORTS (/NEWS/SPORTS/)**



**U-T TV (/TV/)**



**BUSINESS (/NEWS/BUSINESS/)**



**ENTERTAINMENT (/NEWS/ENTERTAINMENT/)**



**VIDEO (/VIDEO/)**



**OPINION (/NEWS/OPINION/)**



**MILITARY (/NEWS/MILITARY/)**



**MARKETCONNECT (/SPONSORED/)**

**U-T OFFERS (/OFFERS/)**



**CLASSIFIEDS (HTTP://LOCAL.UTSANDIEGO.COM/SECTIONS/CLASSIFIEDS/)**



**REAL ESTATE (/NEWS/REAL-ESTATE/)**



**CARS (/NEWS/CARS/)**



**TRAFFIC (/MYTRAFFIC/)**



**WEATHER (/WEATHER/)**



**SURF (/SURF-REPORT/)**



SEARCH



