

**SURFACE TRANSPORTATION BOARD DENIES "SOUTH ORIENT" ABANDONMENT OF ITS "SAN ANGELO-PRESIDIO LINE," CITING INFRASTRUCTURE AND NAFTA CONCERNS**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has not granted an abandonment but rather has authorized South Orient Railroad Company, Ltd. (SORC), to discontinue service over the "San Angelo-Presidio line" in Texas and to discontinue its trackage rights over a portion of the line owned by the Union Pacific Railroad Company (UP). The Board's refusal to allow abandonment of the San Angelo-Presidio line preserves a gateway between the United States and Mexico.

SORC had sought permission under Section 10903 of Title 49, United States Code (49 U.S.C. 10903), to discontinue service over and abandon the San Angelo-Presidio line, extending from a point near Mertzson station south of San Angelo to a point at Alpine Junction, and from a point at Paisano Junction to the end of the line at a point on the International Bridge near Presidio, a distance of approximately 296.4 miles (including 14.4 miles of side track); and to discontinue trackage rights over UP's line extending from Alpine Junction to Paisano Junction, a distance of 11.4 miles, for a total distance of approximately 307 miles in Brewster, Crane, Crockett, Irion, Pecos, Presidio, Reagan, Tom Green, and Upton Counties, TX.

After considering public concerns raised in opposition to the abandonment application, the Board decided to deny abandonment, and instead to allow discontinuance of SORC's service over the San Angelo-Presidio line and its trackage rights over UP's line. In reaching its decision, the Board considered a number of factors, including evidence of potential traffic, the impact on local communities and the larger region, the objectives of the North American Free Trade Agreement (NAFTA), concerns that the line remain intact, and the existence of another railroad willing to negotiate an arrangement to guarantee future rail operations, as well as the losses associated with maintaining service over the line. In allowing discontinuance rather than abandonment, the Board emphasized its concerns over maintaining adequate rail facilities and infrastructure and took note of the interest expressed by local parties in fostering the goal of North American economic integration embodied in NAFTA.

The Board issued its decision in the proceeding entitled *South Orient Railroad Company, Ltd.—Abandonment and Discontinuance of Trackage Rights—Between San Angelo and Presidio, TX*, STB Docket No. AB-545, on October 6, 1998.

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