

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36652

GREEN EAGLE RAILROAD, LLC—CONSTRUCTION AND OPERATION EXEMPTION—
IN MAVERICK COUNTY, TEX.

Digest:¹ In this decision, the Board directs Green Eagle Railroad, LLC, to file a supplemental brief and invites supplemental briefs from Union Pacific Railroad Company and BNSF Railway.

Decided: January 30, 2026

On December 14, 2023, Green Eagle Railroad, LLC (GER), a noncarrier subsidiary of Puerto Verde Holdings (PVH), filed a petition for exemption under 49 U.S.C. § 10502 from the prior approval requirements of 49 U.S.C. § 10901 to construct and operate approximately 1.335 miles of new, double-tracked common carrier rail line in Maverick County, Tex. (Line). The Line would extend from the U.S.-Mexico border to connect with Union Pacific Railroad Company (UP) at about milepost 31 of UP's Eagle Pass Subdivision.

According to GER, rail traffic moving across the border between the City of Eagle Pass, Tex. and Piedras Negras, Coahuila, Mex. currently crosses the UP International Railroad Bridge, a single-tracked bridge connecting to a rail line owned and operated by UP and also utilized by BNSF Railway (BNSF) via trackage rights² on the U.S. side and to a rail line owned by the Mexican federal government with rail operations concessioned to Ferrocarril Mexicano, S.A. de C.V. (Ferromex) on the Mexican side. (Pet. 2.) GER argues that in addition to security issues at the crossing, the existing infrastructure is not well-suited for an increase in use projected by the Texas Department of Transportation in its 2021 Texas-Mexico Border Transportation Master Plan (BTMP), as the single-tracked border crossing limits train speeds and freight capacity and prevents simultaneous two-way operations, thus negatively impacting the U.S. economy. (Id. at 3-5, 7.)

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol'y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

² BNSF's trackage rights were obtained as a condition of the UP-Southern Pacific merger. See Union Pac. Corp.—Control & Merger—S. Pac. Rail Corp., 1 S.T.B. 233, 410-11, 562 (1996).

GER explains that the Line is part of PVH's Puerto Verde Global Trade Bridge project (Project), a proposal that seeks to "develop an economically viable solution to meet the needs for border infrastructure improvements that will increase safety and facilitate crucial binational trade between the United States and Mexico." (*Id.* at 1-2.) The Project would create a new trade corridor for freight traffic and commercial motor vehicles (CMV) extending from the City of Eagle Pass, Tex., across the U.S.-Mexico border and approximately 17.79 miles into the Mexican State of Coahuila. (*Id.*) In addition to the Line, other components of the Project corridor include a new GER line in Mexico connecting to Ferromex at the Ferromex Rio Escondido Yard, a new CMV roadway running parallel to the railroad tracks in the U.S. and Mexico, a new bridge crossing the Rio Grande River with two spans to carry the railroad tracks and CMV roadway, and customs inspections facilities, including a customs control tower between the Line and CMV roadway to allow for combined multimodal cargo inspection. (*Id.* at 1-2, 6.) GER states that it has discussed the Project with UP and BNSF and seeks to enter into agreements with the carriers to shift their cross-border traffic to the Line. (*Id.* at 7.) Regarding the discussions, GER notes that it "has been pleased with the reception its proposal has received from both railroads." (*Id.*) GER has also maintained that "[i]f GER is unable to attract all cross border rail traffic through the prospect of a more efficient and safer cross border trade corridor, then the stated purpose of an economically viable solution to the problems that exist at Eagle Pass/Piedras Negras border is not feasible, and GER would be unable to construct and/or operate the Proposed Line." (Env't Comment EI 34039, GER Letter 5.)

GER argues that its proposed line qualifies for an exemption under 49 U.S.C. § 10502 because an application for construction and operation authority under 49 U.S.C. § 10901 is not necessary to carry out the rail transportation policy (RTP) at 49 U.S.C. § 10101, requiring an application is not necessary to protect shippers from an abuse of market power, and the project is limited in scope. (Pet. 11-17.) GER asserts that an exemption would promote several provisions of the RTP. (*Id.* at 13-16.)

On March 13, 2024, the Board instituted a proceeding under 49 U.S.C. § 10502(b). Green Eagle R.R.—Constr. & Operation Exemption—in Maverick Cnty., Tex., FD 36652, slip op. at 1 (STB served Mar. 13, 2024). Then, on March 29, 2024, pursuant to the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321-4370m-11, the Board's Office of Environmental Analysis (OEA) issued a notice of intent to prepare an environmental impact statement (EIS) and invited public comment. Green Eagle R.R., FD 36652 (STB served Mar. 29, 2024). OEA issued a Draft EIS on March 14, 2025, analyzing the potential environmental and historic impacts of the Line and requesting public comments. On August 6, 2025, OEA issued a Final EIS responding to the substantive comments received on the Draft EIS and recommending its final environmental mitigation to the Board.

UP filed comments opposing GER's petition for exemption on August 25, 2025. UP argues that the Board should deny GER's petition for exemption and require a full application if GER wants to proceed with its proposal. In contrast with GER's expressed optimism in working with UP and BNSF, and relevant to GER's position that the Project is not possible without attracting all cross border rail traffic to be routed over its Line (*see* Env't Comment EI 34039, GER Letter 5), UP states that it "has no intent to discontinue using its border crossing at Eagle Pass" (UP Comment 10). UP also questions the Project's financial and operational viability in

the event both crossings are used, and disputes that the petition shows that the Line serves the public interest or meets the criteria for an exemption under 49 U.S.C. § 10502. (Id. at 10-15.) UP argues that GER simply seeks to insert itself as an additional rail carrier in the middle of existing UP-Ferromex and BNSF-Ferromex cross-border routes, rather than creating a new, competitive, more efficient option for shippers. (Id. at 12.) According to UP, this proposal “would raise rail transportation costs and reduce service quality” because every cross-border movement with GER would require three rail carriers rather than two, thereby weakening UP’s and BNSF’s ability to compete with Canadian Pacific Kansas City Limited’s cross-border operations in Laredo, Tex. (Id. at 12-13.) The Board also received comments opposing the petition on environmental grounds from the Eagle Pass Border Coalition (EPBC) on September 8, 2025.

GER responded to UP’s comments and EPBC’s comments on September 15, 2025, and September 22, 2025, respectively. In its response to UP, GER argues that a full application is not necessary and that the Board should grant its petition. GER maintains that the Line would serve the public interest because it resolves problems cited in the BTMP, because there is a Congressional presumption that construction projects are in the public interest, and because its Presidential Permit Application was granted, confirming that the proposal is in the foreign policy interests of the United States. (GER Reply 3-5, Sept. 15, 2025.) GER also reiterates that the proposed Line construction satisfies the criteria for an exemption because it is consistent with the RTP. (Id. at 7-16.)

More briefing is warranted so that the Board can fully assess the proposed Line under the exemption criteria at 49 U.S.C. § 10502. For example, more information is needed to assess the impact of any potential decommissioning of the rail line in Mexico connecting Ferromex to the UP International Railroad Bridge at Eagle Pass, which can currently be used by shippers to interchange directly with either UP or BNSF, and whether any such decommissioning would result in GER’s proposed Line becoming a single rail carrier option (i.e., an added, intermediate carrier without a rail alternative) for traffic moving between the United States and Mexico at Eagle Pass, and to assess how the Project might be impacted in the event GER is unable to attract all traffic over its Line. GER will therefore be directed to file a supplemental brief addressing the following issues:

1. Please discuss the effect on rail shippers if all rail traffic currently crossing the border at Eagle Pass shifts to GER and explain how GER would address any competitive or operational harms to shippers that may arise as a result. Please describe what impact this transaction, including the cost of the proposed line and the addition of an intermediate carrier, would have on shipping costs.
2. Please provide the Board with a description of the current physical track on the Mexican side of the border connecting Ferromex to the UP International Railroad Bridge at Eagle Pass and the proposed GER track on the Mexican side, including clarifying the extent to which this proposed segment would be double tracked. The Board encourages the submission of any relevant maps not already submitted to the agency. Please include any information you have regarding any planned rerouting of rail traffic and whether any

existing track in Mexico would be removed or decommissioned following construction of the Line.

3. Please inform the Board about the status of any negotiations or discussions being had with UP and with BNSF, including regarding any operating plan or similar arrangement.
4. Please elaborate on your representation that “GER would be unable to construct and/or operate the proposed line” if you are “unable to attract all cross border rail traffic.” (Env’t Comment EI 34039, GER Letter 5.) Please explain how you plan to attract or secure all cross-border traffic and confirm whether you would start building the Line in the absence of commitments from UP and BNSF to shift their traffic to the Line post-construction. If you would start building the Line in the absence of those commitments, explain why and what would be sufficient for you to start building.

In addition, UP and BNSF are invited to comment on items 1-3. To assist the Board in assessing GER’s proposed alternative, UP and BNSF are directed to clarify where their respective crew changes currently take place. GER states that crew changes occur on the current UP bridge, (see Pet. 6), but UP notes that it expected to shift cross-border crew changes from the bridge to Clark’s Park Yard in 2025, (UP Comment 3, 14). GER will be ordered to serve a copy of this decision on BNSF by February 3, 2026. Supplemental briefs addressing the issues identified above will be due February 13, 2026.

It is ordered:

1. GER is ordered to serve a copy of this decision on BNSF by February 3, 2026.
2. GER is directed to submit a supplemental brief addressing items 1-4 above by February 13, 2026.
3. UP and BNSF each are directed to identify where their respective crew changes currently take place by February 13, 2026. As part of their submissions, UP and BNSF may also comment on items 1-3 above.
4. This decision is effective on its service date.

By the Board, Board Members Fuchs, Hedlund, and Schultz.