
Rail

There are ten border points in the United States from which rail shipments can cross into Mexico (see Map, page 47). The primary three crossings are in Texas: Laredo, El Paso and Eagle Pass. Laredo handles the largest amount of annual traffic (an estimated 50% of total rail traffic between Mexico and the United States/Canada). *Ferrocarriles Nacionales de Mexico (FNM)*, Mexico's principal railway company, has improved and expanded rail services at Nuevo Laredo, just opposite Laredo, Texas. Most Mexican importers prefer that shipments be routed through Laredo.

The majority of Mexican exports are priced f.o.b. Laredo. *Union Pacific Railroad*, which through its *Missouri Pacific* line handles the majority of rail traffic at Laredo, has also expanded its own Laredo yards. *Texas Mexican Railway* is the other carrier operating through Laredo. *Southern Pacific Railroad*, a major competitor, has pushed for the development of El Paso and Eagle Pass, backing this up with new lift facilities at both sites. For the moment, however, Laredo remains the primary point of entry into Mexico.

Rail transport to Mexico consists mainly of "piggybacking" (TOFC, trailer on flat car) although COFC (container on flat car) and double-stack (2 containers on flat car) shipping are becoming more popular. Both *Union Pacific* and *Southern Pacific* offer double-stack trains services into Mexico. Virtually no mechanical refrigerated cars operate into or out of Mexico due to low rates of return on investment and servicing problems.

Transit times from major Canadian cities to Laredo can take anywhere from 7 to 12 days depending on the originating city and the routing. However, several days can be added to this transit time when lines are congested near the border or in Mexico. In general, TOFC and COFC train shipments are faster and are given higher priority than box cars shipments of bulk goods.

Upon reaching Laredo, customs procedures and the transfer of railcars to FNM for transport to destinations within Mexico used to take an average of 5 to 6 days. Since January 3 1990, however, a new mandatory system of preclearing ("despacho previo") has been implemented for all goods crossing into Mexico by rail at Laredo. Before entering the San Antonio-Laredo corridor, railcars are premanifested (with an important 10 day grace on their import permits) allowing for railcar crossings seven days a week (even when customs brokers are not working), less switching by FNM at Nuevo Laredo as many trains are delivered in precleared Mexican destination blocks, and a significant overall improvement in border-crossing times. *Union Pacific* has been instrumental in organizing this new system.