



**UPDATE:
APRIL – JUNE 2017**



**SMART BORDER COALITION
San Diego-Tijuana**

July 6th 2017



CALI BAJA BINATIONAL CARGO RAIL FORUM

+200 attendants



FIRST TIME ANALYZING RAIL INDUSTRY FOR THE REGION

12 participants



Organization Committee:



SPECIAL THANKS GUSTAVO DE LA FUENTE & SMART BORDER COALITION FOR YOUR SUPPORT ON HELPING US MAKING THIS HAPPEN!

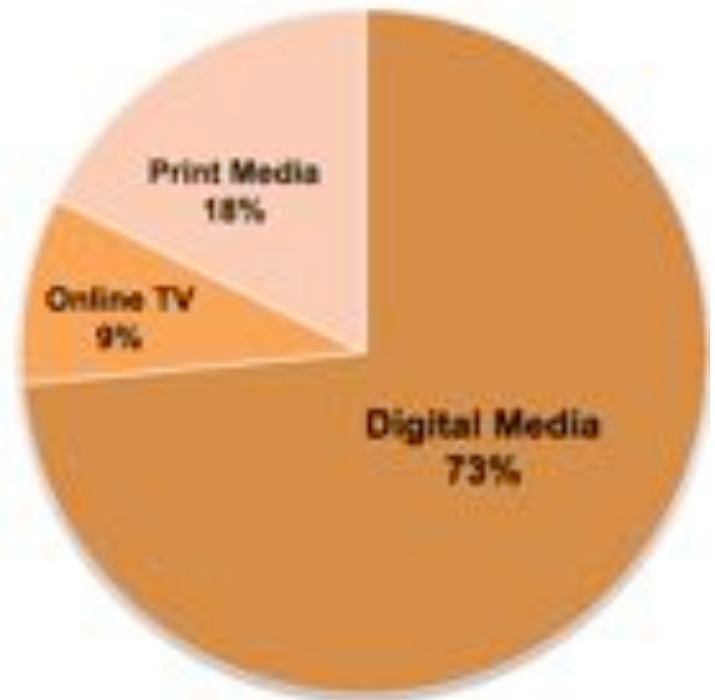




CALI BAJA BINATIONAL
CARGO RAIL FORUM

FIRST TIME ANALYZING RAIL INDUSTRY FOR THE REGION

Media coverage:
+33 in San Diego, Tecate and Tijuana



DESERT LINE

CONCESSION ACQUISITION UPDATE



- MTS and BJRR signs a 99 year lease agreement.
- July 27th Payment of 3.7MD for PIR's purchased assets according the US Federal Bankruptcy Court
- Official Acquisition of the Desert Line Concession



DESERT LINE: REHABILITATION PROJECT

PHASE 1: International Crossing to Jacumba



Length: 32.96 miles:

- Sustitution of sleepers and spikes
- Cleaning of the rail
- Soil railbed cleaning
- Regulatory pointing supply (mile plate and crosses)

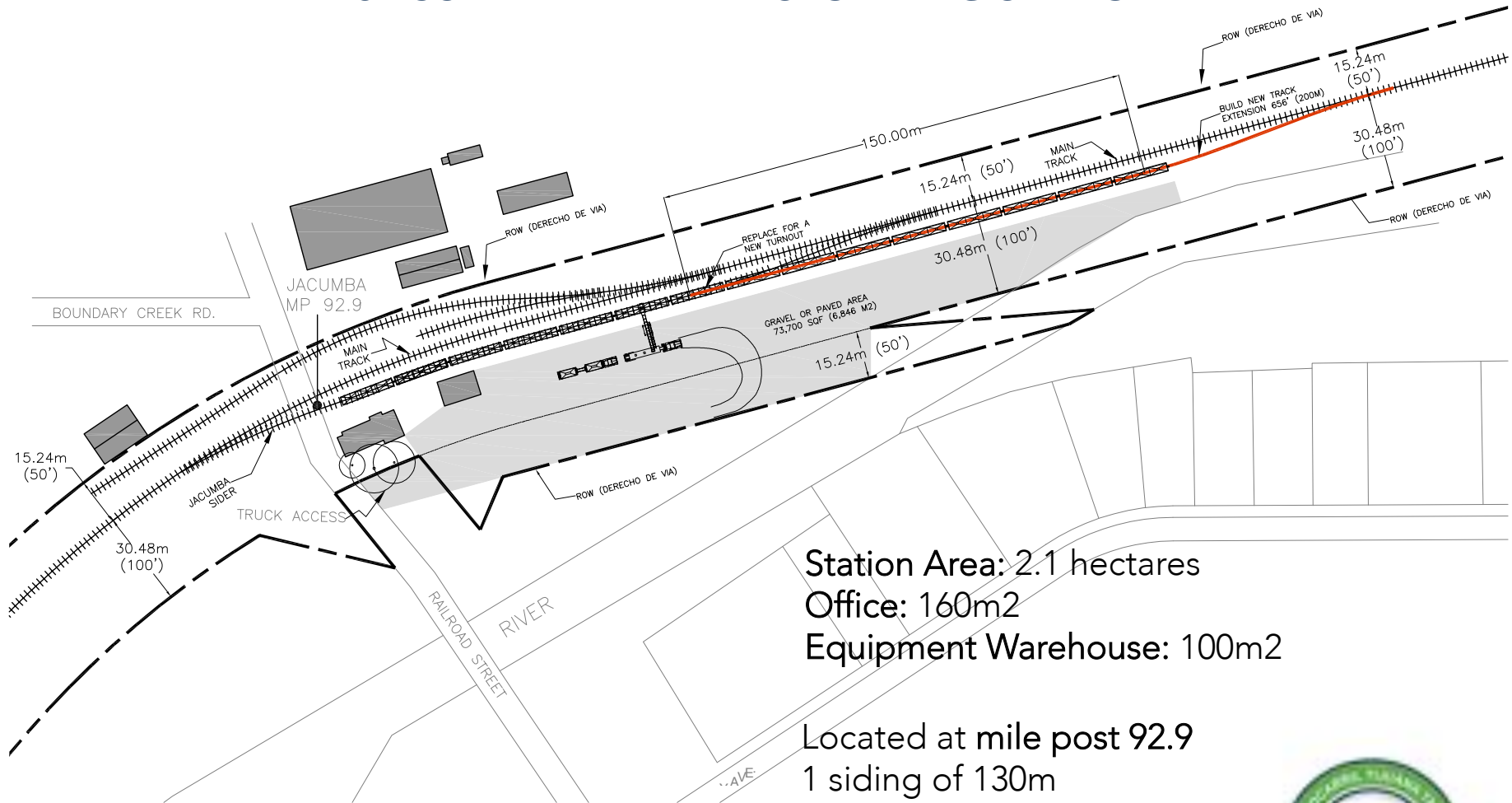
1. Bridge 66.77 rehabilitation:
Sustitution of caps, piles, spar, sway bars, sway braces, sills, mud sills, and stringers.

2. Tunnel No.4 rehabilitation
3. Jacumba Station



DESERT LINE

JACUMBA RAIL TRANSLOADING STATION



Station Area: 2.1 hectares
Office: 160m²
Equipment Warehouse: 100m²

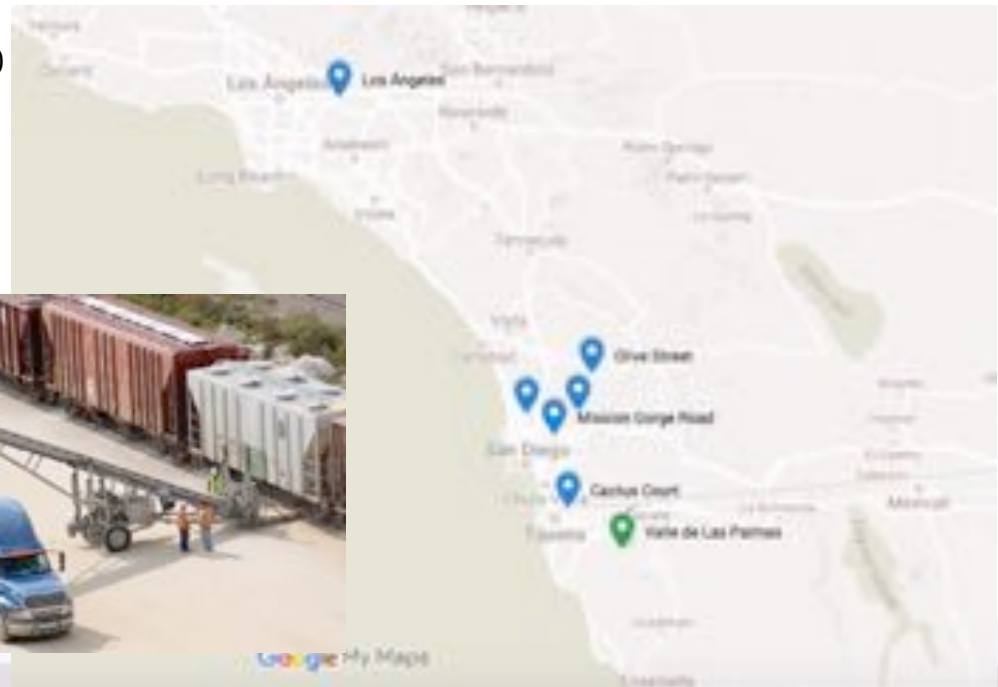
Located at mile post 92.9
1 siding of 130m
1 spur of 152m
Railroad Yard of 1.5 miles



SAND & AGGREGATES EXPORTATION PROJECT

- Initial volume: 1,300 tons (approx.)
- Qty. per week: 13 units
- Route: Palm Valley (Tijuana, BC) to Southern California
- US Destinations:

1. CACTUS CT, SAN DIEGO, CA, 92154
2. MISSION GORGE RD, SAN DIEGO, CA, 92010
3. CAMINO SANTA FE, SAN DIEGO, CA, 92121
4. HWY 67, LAKESIDE, CA, 92040
5. OLIVE STREET, RAMONA, CA, 92065
6. LOS ÁNGELES, CA, 91746



MEETINGS TECATE, BC – CAMPO, CA JOINT INSPECTION FACILITY

May 24th 2017

Status update of the Desert Line project and Joint Inspection Facility during the Plenary Meeting of the Binational Bridges and Border Crossing Group in Washington, D.C.



Meeting with: US State Department, Homeland Security, CBP, SG, SCT, Mexican Rail Agency, INDABIN.

June 19th – 23rd, 2017:

Meeting between SRE and BC State authorities (ADMICARGA) on requesting the a diplomatic note for the restabliment of freight & cargo interchange between both countries along with a Joint Inspection Facility.



UPCOMING: Meeting with SIDUE



TECATE, BC – CAMPO, CA JOINT INSPECTION FACILITY

Meeting with CBP and the Office of Field Operations for a presentation of an update of the Desert Line project and a proposal for the inspection process, in collaboration with MTS.

Date: June 29th, 2017

Place: U.S. CBP Office at Campo Station, Pine Valley, California.



WHAT'S NEXT?

- Letter of intent to CBP / O.F.O. emission by MTS and BJRR
- Joint lobbying with MTS & BJRR with Washington Authorities
- Diplomatic note for the US Government emitted by MX Consulate in SD
- Union Pacific presentation on the Desert Line Project in Omaha, NB

