

SERVICE DATE – MARCH 5, 2026

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36847

LAREDO GATEWAY INDUSTRIAL RAILWAY, LLC—CONSTRUCTION AND
OPERATION EXEMPTION—IN WEBB COUNTY, TEX.

Decided: March 5, 2026

By petition filed December 8, 2025, Laredo Gateway Industrial Railway, LLC (LGIR), a noncarrier subsidiary of Kraus Development (Kraus), seeks an exemption under 49 U.S.C. § 10502 from the prior approval requirements of 49 U.S.C. § 10901 to construct and operate a new rail line in Webb County, Tex. (the Line). (Pet. 1.) According to LGIR, the Line would extend approximately 13,707 feet from a switch off the Union Pacific Railroad Company (UP) Laredo Subdivision and terminate within the Gateway Industrial Park (the Park), a new industrial park being developed by Kraus. (*Id.* at 1, Ex. A.) LGIR explains that although it is seeking operating authority over the Line, it intends only to hold a residual common carrier obligation and that it has entered into an agreement with Iron Horse Resources, Inc. (IHR), to operate the Line. (*Id.* at 1, 3.) LGIR states that IHR will separately seek Board authority to operate on the Line. (*Id.*)

LGIR explains that the purpose of the project “is to serve shippers utilizing the port-of-entry at Laredo.” (*Id.* at 2.) According to LGIR, Kraus is developing the Park to create warehousing for the logistics industry. (*Id.* at 1-2.) LGIR states that over half of the Laredo truck traffic using local warehouses transloads commodities from truck to truck, and that it seeks to construct the Line to provide these shippers with a rail alternative at the Park so that commodities may be transloaded from truck to rail and interchanged with UP. (*Id.* at 2.) LGIR notes that it “sees a gap in the marketplace for local rail freight accessibility and local rail/truck transloading capacity that will produce manifest carloads of rail traffic.” (*Id.* at 2-3.)¹

The petition for exemption raises issues that require consideration by the Board and an environmental and historic review will also be required. By this decision, the Board is instituting a proceeding under 49 U.S.C. § 10502(b). The issues presented by the petition will be addressed in a subsequent decision.

It is ordered:

1. Under 49 U.S.C. § 10502(b), a proceeding is instituted.

¹ A letter supporting LGIR’s petition was filed on behalf of Webb County, Tex., by Webb County Judge Tano E. Tijerina on December 10, 2025.

2. This decision is effective on its service date.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.