

**Northeast Texas Rural Rail Transportation District**  
**Northeast Cotton Belt Regional Rail Line**  
**Request for Proposals**  
**October 2, 2025**

The Northeast Texas Rural Rail Transportation District (NETEX) is seeking proposals (RFP) from entities (“Respondents”) that are interested in partnering or leasing the NETEX owned railroad right-of-way, from near Wylie, Texas to near Winfield, TX.

**1.0 General Description of Location, Condition and Background:**

NETEX is multi-county Rural Rail Transportation District representing six contiguous counties across Northeast Texas. It was formed in 1995 to save the former St. Louis Southwestern Railway’s (SSW) Dallas Division, or “C-Branch” (Cotton Belt Route), from abandonment and to preserve short line freight-rail service for current and future customers along the corridor. NETEX is a governmental subdivision of the state, created by the commissioners courts by resolution, and operated by a board of directors appointed by the commissioners courts of the member counties.

NETEX was formed in 1994 by Hunt, Hopkins, Franklin, and Titus Counties, Texas, to prevent the abandonment of Southern Pacific’s “Cotton Belt C-Branch” line between Mount Pleasant, Texas and Wylie, Texas. Collin and Delta Counties subsequently became members of the NETEX Rail District. The NETEX controlled infrastructure provides connectivity between the North American Freight Rail Network via interchanges with the Union Pacific (Mount Pleasant, Texas), and the Kansas City Southern (Sulphur Springs, Texas). In 1995, NETEX purchased 31 miles of track from Milepost (MP) 524, west of Sulphur Springs Texas, to Milepost (MP) 555, west of Greenville, Texas. This section of the line (Segment II) was purchased through a grant-funding agreement with the State of Texas (via TxDOT). In 2000, NETEX purchased 34.6 miles of track from Milepost (MP) 489.4 at the Franklin County/Titus County line to Milepost (MP) 524, at Sulphur Springs, Texas. This section of the line (Segment III) was purchased through a US Department of Agriculture (USDA) grant. In 2003, NETEX purchased the 23.2-mile segment of right-of-way (Segment I) from Simtrott, west of Greenville, Texas, to east of Wylie, Texas. The tracks and ballast had been removed from this line segment prior to the time of the purchase.

The NETEX Corridor lies within the State of Texas and consists of three segments that run across six counties as listed here:

- 1.1 **Segment I** begins just east of the KCS yard in Wylie, Texas at MP 578.2 and runs east-northeast 23.2 miles to MP 555.0 at Simtrott (just west of Greenville, Texas). This Segment consists of the rail right-of-way without rail, ties, or ballast.
- 1.2 **Segment II** is in daily operation and begins at MP 555.0 at Simtrott and runs east 31 miles through Greenville and Commerce, Texas to MP 524.0 (just west of Sulphur Springs, Texas). This Segment is fully operational.
- 1.3 **Segment III** is in operation and begins at MP 524.0 and runs east 34.6 miles through Sulphur Springs and Mount Vernon, Texas to MP 489.4 near Winfield, Texas. This Segment is fully operational and continues to Mount Pleasant via a UP lease from MP 489.4 east for approximately 7 miles.

The majority of Segments II and III are excepted track. The line is in need of rehabilitation to address a poor tie condition and ballast deficiency that currently limits freight movements to 10 mph based on the Federal Railroad Administration’s (FRA) “Excepted Track” classification. The NETEX line is constructed

of predominantly 112# jointed rail, which is in good condition, on ties that date from the 1930's to the 1980's, which are in bad to fair condition. Additional details are located on the NETEX website [www.netexrail.org](http://www.netexrail.org) including the TIGER VII Application.

The Northeast Texas Connector (NETC), the current freight-rail service operator of Sections II and III, interchanges with two Class 1 railroads; Union Pacific (Mount Pleasant Yard) and Kansas City Southern (Greenville Yard). NETC has an operating contract with NETEX that runs through 2031, with 2 10-year extensions. NETC has indicated, however, that it is willing to mutually terminate the current contract and cooperatively transfer operations to a new operator.

## **2.0 Purpose and Process:**

The purpose of this announcement is to gather information and gauge the interest level from the private sector on the potential use of the NETEX rail infrastructure.

Respondents that submit a formal Proposal, in accordance with submittal requirements outlined below, may request to present their proposal to the NETEX Executive Committee. Respondents must submit a presentation request to the RFP Coordinator by 4:00pm CDT November 5, 2025. Presentation will be scheduled by the Executive Committee and occur on or before December 5, 2025. Presentations will be limited to one hour and all presentation costs incurred by the Respondents shall be borne by each Respondent.

Assumed conditions and requirements that may be included in a competitive solicitation include, but are not limited to:

- 2.1 Although NETEX continues its efforts to secure State and Federal funding, there is currently no State or Federal funding available for the rehabilitation of the line and all costs to be borne for improvements and repairs, including but not limited to tracks, ties, ballast, drainage, signals, and bridges, shall be the responsibility of the selected private entity.
- 2.2 NETEX (depending on the structure of a final agreement) is willing to continue to seek State and Federal funding. NETEX is a subdivision of the state and considered a Public Entity qualified to submit applications to various State and Federal Freight-Rail funding mechanisms.
- 2.3 Should the private entity cease short line rail service on the line for any reason, the line and complete control will revert back to the Northeast Texas Rural Rail Transportation District.
- 2.4 The applicant should indicate whether it prefers a lease or an operating agreement as the basic structure for its proposal.
- 2.5 NETEX and NETC have recently entered into an agreement with Hasa, Inc., a customer in Greenville, Texas, that ships hazardous materials. In exchange for an advance of \$250,000 to NETEX, NETC agreed to bring Segment II up to FRA Class 1 status to allow shipments of hazardous materials to resume. NETC has agreed to repay the \$250,000 over a 9-year period. Any new operator must assume the repayment obligation.

## **3.0 RFP Schedule:**

Release RFP	October 3, 2025
Respondents' Questions due by 4:00pm CST	October 16, 2025
Addenda (response to all questions) issued by NETEX online by 4:00pm CST	November 5, 2025
Respondents' Proposals due by 4:00pm CST	November 5, 2025

Respondents' Request to present their proposal, due by 4:00pm CST	November 5, 2025
Requested presentation will be scheduled on or before	December 5, 2025

#### **4.0 RFP Coordinator:**

Respondent's communications concerning this Request for Proposals shall be directed to

RFP Coordinator	Mollye Ham, NETEX Secretary
Address	NETEX 1200 Enterprise Lane Sulphur Springs, Texas 75482
Email	mollye@ss-edc.com


#### **5.0 Response Preparation Instructions:**

- 5.1 Submissions of interest shall include basic information about the type of service proposed and a brief description of the relevant experience and capability of the Respondent, and basic information on the financing for the proposed service and infrastructure improvements.
- 5.2 Submissions of interest shall include a statement of whether or not the Respondent is a railroad corporation organized under the laws of Texas or whether the Respondent is a railroad corporation under the laws of any other state, and approved by the Federal Railroad Administration to own or operate the type of proposed service.
- 5.3 Respondents (whether a railroad or some other private entity) shall describe their particular proposal concept with regards to potential ownership, partnership, lease, or operating agreement from NETEX.
- 5.4 Expressions of interest shall be limited to no more than 10 pages. Electronic or paper submissions are acceptable.
- 5.5 Respondents are strongly encouraged to contact the current operator, the Northeast Texas Connection, LLC, in order to familiarize themselves with the condition of the Railroad. Respondents will be given the opportunity to ride the length of the railroad to view the conditions for themselves.
- 5.6 Responses to the RFP should be submitted to the RFP Coordinator no later than 4:00pm CDT on November 5, 2025. Expressions of interest received after the due date/time will not be considered. With the inclusion of a return email address, the RFP Coordinator will email an acknowledgement of receipt to the submitting Respondents.

#### **6.0 Additional Information:**

- 6.1 Respondents may respond as independent companies, corporations, or as individuals.
- 6.2 All material submitted in response to this RFP, including during scheduled presentations, become the property of NETEX and NETEX has the right to use any of the ideas presented in the development of a potential formal RFP. Any information submitted in the response that is proprietary or confidential must be clearly designated as such. NETEX will honor requests for confidentiality for information of a proprietary nature to the extent permitted by law. Submissions that are marked or designated as proprietary or confidential will be rejected as non-responsive.

- 6.3 Respondent may submit comments and questions to the RFP Coordinator prior to responding to the RFP by October 16, 2025. Response to all Respondents' questions will be considered addendums to the RFP and any addenda will be posted on the NETEX website ([www.netextrail.org](http://www.netextrail.org)) by November 5, 2025.



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Cheryl Williams  
NETEX Chairman