The Honorable Pete Buttigieg  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Ave., SE  
Washington, DC 20590

Dear Secretary Buttigieg,

We write to express serious concerns about the use of tax-exempt private activity bonds (PABs) or any other federal financing mechanism to fund the Uinta Basin Railway Project (the Project). While we support boosting domestic energy production for the benefit of American consumers and our allies abroad, private-sector investments should be based on consumer demand where they pertain to mature technologies with existing, robust markets. The additional risks posed by this project — including those raised by Colorado communities concerned by the potential for a train derailment along the headwaters of the Colorado River — give cause for caution in using taxpayer funds to support the Project, and have gained new urgency in the wake of the East Palestine disaster.

The Department of Transportation (DOT) has generally issued PABs for passenger rail and highway improvements: projects that provide a clear public transportation benefit. There is no precedent for using PABs to fund a rail project solely to transport crude oil. Proponents justify this project based on the potential economic benefits of delivering waxy crude oil to refineries in the Gulf of Mexico, but shifting the burden of the Project to taxpayers would be imprudent given its ballooning costs. The project was originally expected to cost $1.4 billion, but recent estimates indicate its costs have more than doubled. Now, proponents of the Project reportedly plan to seek a $2 billion PAB. If issued, this would not only constitute the largest PAB the DOT has ever issued; it would also irretrievably sink taxpayer dollars into a project that has proven unable to contain its own costs. If this project truly were economically viable, its developers would have no need to rely on federal subsidies. The DOT’s limited funds should be preserved for projects that would better serve the public interest.

If successful, the Project could result in as many as five, two-mile-long crude-oil trains running over 100 miles directly alongside the headwaters of the Colorado River each day. Many Colorado communities have raised concerns about the potential harm of railway accidents to water quality, wildlife, and wildfire risk. However, our review of the Project found no plan to mitigate the harm of a potential accident or derailment in Colorado, which could be particularly difficult to address given our state’s mountainous terrain. This deficient approach to planning raises questions about whether the Project has sufficiently accounted for its potential risks to Colorado, further illustrating that this PAB would be a poor investment.

The Project has always represented a real tradeoff of environmental and safety risks against the potential for economic upsides. While the risks to Colorado’s environment and local
communities remain real, the developers’ stated need for tax-free funding suggests that the economic benefits of this project may be overstated. For these reasons, we urge you to seriously consider the risks of providing federal cost assistance to this project.

Thank you for your consideration of this important matter.

Sincerely,

Michael F. Bennet
U.S. Senator

Joe Neguse
Member of Congress

John Hickenlooper
U.S. Senator