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## News

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### **U.S. Transportation Secretary Sean P. Duffy Announces Agreement to Save Taxpayers Over \$60 Million by Ending Grant for Texas High-Speed Rail Project**

*‘My department will continue to look for every opportunity to save federal dollars and prioritize efficiencies’*

WASHINGTON, D.C. – U.S. Department of Transportation Secretary Sean P. Duffy today announced an agreement between the Federal Railroad Administration (FRA) and Amtrak to terminate the \$63.9 million grant awarded to Amtrak under the Corridor Identification and Development (CID) Program for the Amtrak Texas High-Speed Rail Corridor previously known as the Texas Central Railway project. This project was originally announced as a purely private venture, but as the cost estimates dramatically ballooned, the Texas Central Railway proposal became dependent on Amtrak and federal dollars for development work. The project capital cost is now believed to be over \$40 billion – making construction unrealistic and a risky venture for the taxpayer.

*“I am pleased to announce that FRA and Amtrak are in agreement that underwriting this project is a waste of taxpayer funds and a distraction from Amtrak’s core mission of improving its existing subpar services,” said U.S. Transportation Secretary Sean P. Duffy. “The Texas Central Railway project was proposed as a private venture. If the private sector believes this project is feasible, they should carry the pre-construction work forward, rather than relying on Amtrak and the American taxpayer to bail them out. My department will continue to look for every opportunity to save federal dollars and prioritize efficiencies.”*

While Amtrak ridership has recovered since the pandemic, it has struggled with significant operating deficits. In addition, Amtrak has had high-profile operational challenges, including delays on its own Northeast Corridor and the loss of its Horizon coach fleet to corrosion. Fixing these issues is a top priority for FRA.

Additionally, under the previous administration, Amtrak has considered massive loans underwritten by the federal government, along with additional grants, as the only way to spur construction activities. This arrangement is the antithesis to generating private investment in

infrastructure because the American taxpayer ends up holding all the risk. Walking away from the Texas Central Railway project at this time will allow Amtrak to focus on necessary improvements to deliver more reliability to its current riders.

*“Connecting Dallas and Houston remains one of the more exciting opportunities for new passenger rail in the United States,” said **FRA Chief Counsel Kyle Fields**. “Today’s announcement reflects a recognition by Amtrak and FRA that federalizing the Texas Central Railway proposal is not the best use of taxpayer funding.”*

Today’s announcement does not represent the end of FRA’s interest in new rail projects. FRA has an array of programs that can help with the development of new rail corridors, including high-speed rail routes, and will continue to work with stakeholders to develop cost-effective opportunities. FRA will be able to reallocate the approximately \$60 million balance from the termination of this CID Program grant to other projects that support safe, efficient, and reliable rail transportation.

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