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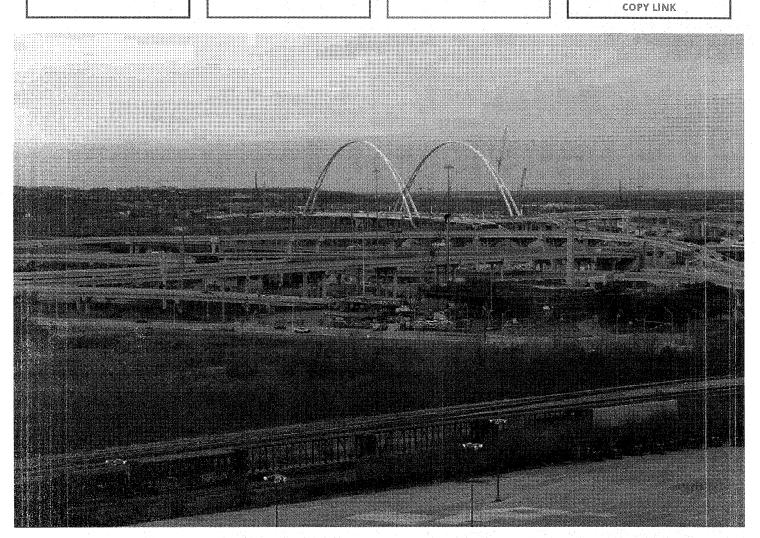
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High-speed train between Dallas and Houston gets federal approval

The railroad plans to connect Texas' two biggest cities within 90 minutes. Construction could begin in the first half of next year.

BY JUAN PABLO GARNHAM SEPT. 21, 2020 UPDATED: SEPT. 22, 2020



The company has already secured over 600 plots of land, as well as areas for the stations in Dallas, Houston and the Brazos Valley. Brandon Formby/The Texas Tribune

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The high-speed train that promises to transport passengers between Dallas and Houston in 90 minutes has been approved by the Federal Railroad Administration, according to Texas Central Railroad, the company in charge of the project.

The U.S. Department of Transportation's Federal Railroad Administration issued the two key rulings, which provide the regulatory framework and the environmental review for the high-speed train, that Texas officials were waiting on to move forward with the project, according to the company. The announcement was first reported by the Houston Chronicle.

Texas Central expects to start construction in the first half of 2021. The federal Surface Transportation Board still must approve the project before construction can begin.

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The rulings announced Monday brought cheers from leaders in Dallas and Houston, but criticism from project opponents along the path the train could take to connect the cities.

Although the company had to layoff 28 workers due to the coronavirus-related financial crisis in March, Texas Central Railroad had described the project as "shovel ready" and waiting for the federal government's approval.

"This is the moment we have been working towards," said Carlos Aguilar, CEO of Texas Central Railroad in a statement. "The release of the final (approvals) by the Federal Railroad Administration represents years of work by countless individuals, affirming a very thorough and careful federal regulatory process that will make the Texas Central Railroad the first high-speed rail system to be implemented in the United States."

The company estimates that the construction for the project will take up to six years, with a total cost of around \$20 billion. The train will use the same

technology as the Shinkansen bullet trains in Japan, which can reach speeds of more than 200 mph.

The project has seen resistance from property owners in rural areas of Central Texas, where the railroad would travel through. According to Texas Central Railroad, they already have control of over 600 parcels of land — approximately 40% of the parcels they need for the project — as well as sites for stations in Dallas, Houston and the Brazos Valley.

U.S. Rep. <u>Kevin Brady</u>, R-The Woodlands, represents part of the areas affected by the project. In a statement, he said the rulings still don't allow use of eminent domain or for Texas Central to start construction. The Surface Transportation Board needs to approve the construction, but the use of eminent domain is a state matter, according to agency documents. In May, <u>Texas courts ruled in favor of the project</u> and against landowners trying to stop the eminent domain process. A landowner plans to appeal. As of September, the company hasn't needed to use eminent domain.

"The lawmakers, landowners and rural communities along the route who oppose this project look forward to this [STB] application process because we believe it will finally force TCR to publicly disclose their shaky financial projections to the STB, reveal why potential investors have abandoned the project and why taxpayers will likely be on the hook when it ultimately fails," Brady said.

The company has previously denied that investors have abandoned the project. A spokesperson said that after the approvals from the FRA, they are focused on securing funding and they already have letters of intent from unnamed banks in Japan and Europe for over half of the anticipated debt needed for the project.

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State Rep. <u>Ben Leman</u> accused the company of asking for billions of federal dollars and putting up "Texas land as collateral to the Japanese government in the event the project fails." A spokesperson for Texas Central explained that the

company gave its lender, a company called Japan-Texas High Speed Railway Cayman LP, a security interest on land it's acquired and said that is typical in real estate transactions. The spokesperson denied that the company has asked for government grants, loans or subsidies.

Several local groups oppose the project. Kyle Workman, president of Texans Against High-Speed Rail, <u>said in a press release</u> that the project will cost more than what is projected.

"Texas Central will likely trumpet this decision as major progress for its project, but they are simply arranging deckchairs on the Titanic," Workman said.

The organization ReRoute The Route, which has called the proposed path "the most dangerous and cheapest option," criticized the federal government for the decision.

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"The Federal Railroad Administration is neglecting its regulatory duty to protect Americans from life-threatening projects like the proposed high-speed rail project in Texas," organization spokesperson Taylor Ward said via email. "This project has been flawed from the beginning and the FRA has ignored calls from concerned property owners, safety professionals, and even other rail companies."

But leaders in Dallas and Houston have defended the high-speed railroad and worked with the company to secure areas to build stations and lines.

"Today's announcement from Texas Central means that this landmark project is closer than ever to breaking ground. The construction of high-speed rail will have a generational impact, creating thousands of jobs right here in Houston and injecting billions of dollars into our local businesses," said Houston Mayor Sylvester Turner in a statement. "Once operational, the system will create connections and opportunities never thought possible."

At the other end of the line in Dallas, Mayor Eric Johnson repeated his support for the project.

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"High-speed rail will be a major part of the future of transportation in Texas, and it will be transformative for the city of Dallas," Johnson said in a statement. "I am thrilled by the announcement of Texas Central's latest historic milestones, and I am proud to advocate for this project, which will create thousands of jobs in Dallas, attract new businesses, and strengthen our economy for years to come."

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