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WAYS AND MEANS

JOINT COMMITTEE ON TAXATION

April 11, 2019

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The Honorable Ann D. Begeman
Chairman
U.S. Surface Transportation Board
395 E. St., SW
Washington, DC, 20423

Chairman Begeman,

ENTERED
Office of Proceedings
April 23, 2019
Part of
Public Record

We write to express our strong opposition to Texas Central Railway's (TCR) petition to reopen proceedings regarding the Surface Transportation Board's (STB) authority over the Houston to Dallas high speed rail project.

Its primary purpose is to impose federal eminent domain powers – the authority to take land against the property owners' will – over Texas landowners who oppose the project's 240-mile route through farms, ranches and homesteads that have been in their family for generations.

In 2016 the STB correctly ruled that it did not have jurisdiction over this project because TCR's proposed line was entirely within the state of Texas, without connection elsewhere and therefore did not meet the requirements of an interstate railroad. To date, nothing has materially changed to justify a reversal of that ruling.

TCR's high speed rail project is not a federal railway and proposes a closed-system between Houston and Dallas, which is outside of STBs jurisdiction.

As you may know, TCR plans to use Japanese technology that lacks interoperability, meaning their tracks are incapable of connecting with any Amtrak railways. In an attempt to circumvent these requirements TCR has cited a preliminary joint ticketing agreement with Amtrak which would allow riders to continue travelling beyond Dallas and Houston. However, since the TCR railways are not compatible with Amtrak railways, passengers would find themselves miles from any connecting rail service and would be forced to shuttle between the two railways.

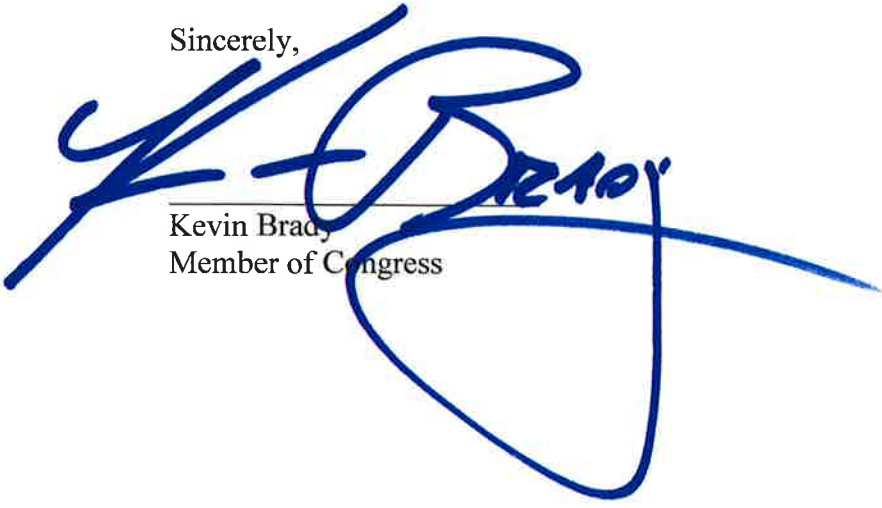
Granting TCR's flawed petition would also establish a new and troubling precedent.

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TCR is described in state filings as an "interurban electric railway," meaning it travels between urban towns or cities within the state. However, 49 U.S. Code § 10502 prohibits exemptions for "interurban electric railways" that are not operated as part of the state's general system of rail transportation (as defined by 49 U.S. Code § 10102). The decision to grant federal jurisdiction, or an exemption, for this project opens the door for any inner-city metro system in the United States to classify itself as a federal railroad if connection is provided to the nearest Amtrak station.

While we strongly support infrastructure that addresses the dynamic growth of Texas, we oppose federal intervention in a controversial in-state project that developers have proudly and repeatedly described as a "private *Texas* project that relies on no taxpayer dollars." We appreciate the time and attention STB has spent on this matter. Please do not hesitate to reach out if you have any questions.

Sincerely,



Kevin Brady
Member of Congress



Ron Wright
Member of Congress