

TRILOGY ADVISORS LLC

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Morteza Farajian, Ph.D.
Executive Director, Build America Bureau
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Dr. Farajian,

I write to you on behalf of ReRoute the Route, a Texas business and civic coalition opposed to federal subsidies for the proposed Dallas to Houston high-speed rail project. Given that the Build America Bureau office has received a request from Brightline for a taxpayer-funded \$6 billion Railroad Rehabilitation & Improvement Finance (RRIF) loan, we respectfully submit for your consideration crucial background information.

While we have no opposition to the Brightline project as a transportation system, we are concerned about precedents being set for future bail-outs by the federal government of failing high-speed rail projects, such as the Dallas to Houston high-speed rail project. The sheer scale of this RRIF loan request is unprecedented, as the largest-ever RRIF loans thus far approved were only for existing rail systems requiring rehabilitation and improvement. The approved funds were for three aggregate RRIF loans made in July 2024 totaling \$4.06 billion to rehabilitate and expand the Hudson Tunnel Project between New York and New Jersey, and the \$2.45 billion loan approved in 2016 to Amtrak to improve the Northeast Corridor and purchase 28 new Acela trainsets.

No other RRIF loan has ever exceeded \$1 billion, yet Brightline is requesting a \$6 billion high-risk loan for a project not yet under construction that is years away from a hoped-for completion. Brightline launched the project in 2020 as an \$8 billion private venture with a projected completion within four years. At the time of launch, Brightline struggled to secure investors willing to purchase an initial \$3.2 billion in bonds, due to institutional skepticism that the projected construction costs were unrealistically low and could not be covered by overly ambitious projected revenues.

The Biden Administration sought to salvage the project in two tranches. In January 2024, the Department of Transportation approved [\\$2.5 billion of private activity bonds](#) for the project, and in September 2024, Transportation Secretary Pete Buttigieg approved [a \\$3 billion grant request](#). The project's original \$8 billion costs have escalated dramatically to \$21.5 billion, nearly tripling in just five years, due to rising construction expenses, labor shortages, and materials inflation. These challenges have strained funding sources, delayed timelines, and raised doubts about the project's long-term viability and revenue projections.

If completed, Brightline aims to sell one-way tickets for around \$80 for the three-hour ride between Las Vegas and Rancho Cucamonga, a terminus forty miles from downtown Los Angeles. Angelenos would have to drive at least one hour from downtown Los Angeles on a heavy-traffic highway to arrive at Rancho Cucamonga, and then board a train for a two-hour ride to Las Vegas.

That total three-hour Los Angeles to Las Vegas trip seems unrealistic in a car-and air-dominant transportation corridor, since three Los Angeles regional airports offer dozens of daily direct options for 75-minute flights to Las Vegas for as little as \$40. [As the Reason Foundation has stated](#) regarding an earlier version of the project, “Our report had expressed concern that there might not even be a market for the [Brightline West] service, since no place in the world do people drive 50 to 100 miles to get to a train to take them the last 175 miles.”

Brightline’s Florida higher-speed rail project connecting Miami to Orlando was [projected to carry 6.6 million passengers in 2023](#), the first full year of service. In 2024, Brightline Florida’s [ridership was approximately 1.63 million passengers](#). According to company reports, 3.1 million people are expected to ride the system in 2025, [which is 53% below the company’s prior estimate](#) of at least 6.6 million passengers for this year, based on a Brightline Florida bond offering, and revenue is [running 67% below projections](#). In July 2025, [Bloomberg reported that](#) “Brightline [Florida’s] latest monthly update showed that ridership and revenues are far below the projections the company offered to bond investors last year. What’s more, the gap between the expectations and the reality has only grown in recent months.”

Growing investor concerns over cost overruns, funding shortfalls, and elevated default risks have led [S&P Global Ratings and Fitch Ratings to downgrade](#) the Florida system’s tax-exempt municipal bonds and corporate debt into high-yield junk bonds. Fitch specifically cited the [likelihood of a default in 2027](#), and [one bond market investor firm warned](#) that “this is a reminder that non-traditional, revenue-dependent projects carry extreme credit and liquidity risks in the muni space, especially in the absence of essential-service backing or state/local guarantees.”

The Brightline West high-speed rail project was supposed to be built entirely with private investor funds – a point touted by project promoters when seeking federal and state agency approvals. At this point, the company faces urgent challenges in raising additional equity from private investors.

Brightline West already faces [lower-than-expected ridership of about 20% of 48 million annual trips](#) by 2035, yielding about \$2 billion in revenue that is insufficient to pay at least \$21 billion in construction costs and future debt service. The project’s repeated construction delays further question the project’s ability to achieve future financial success.

The Build America Bureau and the Department of Transportation have a fiduciary responsibility to the taxpayer to ensure that any RRIF loan funds only viable projects. RRIF borrowers must credibly demonstrate their private sector and non-federal matches.

This RRIF loan request makes clear that the project, if built, can only move forward with monies [largely from taxpayers and tax-exempt bonds](#). This is not a private project, but instead a hybrid one whose costs are increasingly socialized, even as Brightline hopes to completely capture all profits if the project is ever completed. Brightline’s open pivot from private bank debt to federal taxpayer

bailouts suggests that the private investor markets assess the project's volatility as too risk-laden to assure eventual viability.

Approval of the \$6 billion RRIF loan at this time would expose federal taxpayers to undue risk, especially given the project's history to date of repeated underperformance, as well as its sponsor's financial distress in its current higher-speed rail system in Florida.

There is no guarantee that this would be Brightline's final RRIF loan request, or even its final federal financial assistance request. Construction may not be completed until 2029 at the earliest. Additional and unanticipated rising construction expenses, labor shortages, and materials inflation that have led to a spike in costs thus far can continue over the next four years and beyond. How many times can Brightline come to the federal taxpayer for another bailout tranche of its once-private venture?

The private sector has deemed the Brightline West high-speed rail project to be a junk bond project in both structure and in market treatment. The financial vulnerabilities inherent in the project five years since inception are overwhelming. The Trump Administration's prudent fiscal conservatism prioritizes existing and proven low-risk infrastructure over speculative ventures. This also aligns with the intent of the RRIF loan program to support proven low-risk rail projects without an undue taxpayer burden.

In sum, we respectfully recommend that the Build America Bureau reject this \$6 billion RRIF loan request, to safeguard federal taxpayer funds from this project, and other projects such as the Texas high-speed rail project, which both fail the bureau's investment-grade creditworthiness and repayment tests.

The Texas project is still missing at least $\frac{3}{4}$ of the land needed for its alignment, and will have to employ eminent domain and undergo expensive condemnation fights to acquire its right-of-way. This fact makes the Texas project's cost much higher than disclosed in publicly available numbers. It is noteworthy that the Brightline project has the land needed for its right-of-way yet is unable to construct without massive taxpayers monies, even with this significant advantage.

Sincerely,



John Sifides, Principal

JS:cb

Cc: Secretary Sean Duffy
Deputy Assistant Secretary Loren Smith
FRA Administrator David Fink
FRA Deputy Administrator Drew Feeley