

Utah crude oil train angles for \$2.8 billion RRIF loan

By [Caitlin Devitt](#) February 03, 2026, 7:49 a.m. EST 6 Min Read



"A train derailment that spills oil in the headwaters of the Colorado River would be catastrophic," Sen. Michael Bennet, D-Colo., wrote in a letter urging the Surface Transportation Board to conduct a full review of the proposed Uinta Basin Railway. *Bloomberg News*

A Utah group pushing for a controversial crude oil rail line is seeking a \$2.8 billion federal loan as it looks to nail down final federal approval and financing amid continued opposition from Colorado elected officials and environmental groups.

The Railroad Rehabilitation and Improvement Financing program loan application comes after the Uinta Basin Railway's hope for municipal bond financing faded after the U.S. Department of Transportation [maxed out its \\$30 billion](#) private activity bond limit.

A public-private partnership between the Seven County Infrastructure Coalition, a Utah public entity, and Drexel Hamilton Infrastructure Partners, the project plans an 85-mile line to transport up to 350,000 barrels of oil per day from the oil-rich Uinta Basin along the Colorado River, connecting with the national rail network and ultimately to refineries on the Gulf Coast.

The railway scored significant legal victories last year, including a closely watched [U.S. Supreme Court ruling](#) that gave new life to the project after lower courts paused it. But the owners still need a final green light from the Surface Transportation Board, a three-member board that approves transportation projects and resolves disputes.

The Uinta Basin coalition has asked the STB to reaffirm its original approval, which is now five years old, with little additional review. Opponents, including Colorado Democrats Sen. Michael Bennet and Rep. Joe Neguse, are urging the STB to undertake a deeper fresh look of the project, including its financial feasibility.

"Colorado communities and elected officials have come together to push the board to do a robust review, and we're looking forward to them doing that in order to address this project, which has the potential for hugely damaging impact to the river, our communities and our climate," said Edward Zukoski, a senior attorney with the Center for Biological Diversity. "There are also new questions about the financial viability of the railway."

The railroad's original financing plan relied on tax-exempt PABs in an amount that rose to [\\$2.4 billion from an original \\$2 billion ask](#).

But as the owners slogged through courts fighting off environmental lawsuits, the USDOT allocated its full \$30 billion PABs cap. Congress [lifted the PABs limit to \\$30 billion from \\$15 billion](#) as part of the 2021 Infrastructure Investment and Jobs Act. Transportation and municipal market advocates are [lobbying for the cap to be lifted again](#) — or eliminated entirely — as Congress tackles the next surface reauthorization bill in the next few months.

As the U.S. neared its PABs cap last November, Uinta Basin Railway Holdings, LLC sent the DOT's Build America Bureau, which oversees the RRIF program, [a draft letter of interest for a \\$2.8 billion](#) direct loan. The group is among the top three largest applicants, outsized only by [Brightline West's \\$6 billion request](#) and a \$4.8 billion request from Commodore Owner LLC for a transit-oriented development tower in midtown Manhattan.

"The loan would offset any shortfall that we might have," said Keith Heaton, executive director of the Seven County Infrastructure Coalition at an October coalition board meeting. Heaton told the board the coalition is working with DHIP to "put our best foot forward" to win the financing. The train will be backed by take-or-pay transportation contracts from shippers, according to DHIP.

The timeline for the RRIF loan application remains unknown. The Build America Bureau did not return requests for comment. A spokesperson for the railroad said the group hopes to have "a more robust update soon."

Meanwhile, a group of project "stakeholders" met with Utah Gov. Spencer Cox, a Republican, on Jan. 7, according to the governor's schedule. At a Jan. 8 board meeting, Heaton said the meeting with Cox "went very well." They told the governor "we do want to lay tracks and get under construction this year," he said. "Things are moving forward in a very, very good direction; they're just not moving as quickly as some of us would like."

A spokesperson for Cox did not return requests for comment.

The STB has taken the project up again after a legal battle that escalated to the country's top court. After Eagle County, Colorado, and environmental groups, including the Center for Biological Diversity, sued, the U.S. Court of Appeals for the Washington, D.C. Circuit in 2023 ruled in their favor. The court vacated the STB's original approval and put the project on pause.

The U.S. Supreme Court then took up the case and last May, in an unanimous decision [that could reshape environmental reviews](#) for major infrastructure projects across the country, said the lower court [erred in determining](#) that the railway's environmental impact statement failed to consider environmental effects that could result from increased oil drilling in the basin and increased oil refining on the Gulf Coast. The ruling sent the issue back to the circuit court, which in October formally returned the case to the STB, leaving in place the original decision to approve the project.

"The railway is encouraged by the D.C. Circuit's decision, which lets the Surface Transportation Board's authorization for the Uinta Basin Railway take effect," the Uinta spokesperson said in an email. "The railway team appreciates the continued diligence of the Surface Transportation Board as it completes its additional reviews. We remain committed to advancing the project responsibly, collaboratively, and with long-term community benefit in mind."

Opponents like Zukoski said the SCOTUS ruling applies to only a single issue and leaves unaddressed other federal violations named by the circuit court. "Because the Supreme Court didn't address those issues, our argument is the board still has to address them," Zukoski said.

Those who have filed briefs to the STB — whose board is made up of two Trump and one Biden appointees — include Bennet, Neguse, Colorado Attorney General Phil Weiser and the state's Department of Natural Resources.

"These trains would run for over 100 miles directly alongside the headwaters of the Colorado River — a vital water supply for nearly 40 million Americans, 30 tribal nations, millions of acres of agricultural land, and a main driver of our state's recreation and tourism economies," Bennet and Neguse wrote in their [Jan. 12 letter](#). "A train derailment that spills oil in the headwaters of the Colorado River would be catastrophic not only to our state's water supplies, wildlife habitat, and outdoor recreation assets, but also to the broader Colorado River Basin."

Beyond environmental concerns, the STB needs to take a fresh look at whether the railway is financially viable in light of the expired PAB authority, said some opponents.

"The board's 2021 [environmental impact statement] relied in part on a now seven-year-old economic study that did not even evaluate the route that the Uinta Basin Railway now intends to use," wrote Colorado state Sen. Cathy Kipp, D-Fort Collins.

While "the railway stated it intends to rely on taxpayer-subsidized private activity bonds to finance the majority of the project, the Department of Transportation (which administers those bonds) has already allocated the entirety of funds Congress made available," she wrote. "Thus, the Railway cannot currently make use of that financing. This raises serious questions about whether promised mitigation measures can actually be funded and implemented."

The coalition will have a chance to reply before a final decision. The STB did not respond to requests for comment.