

Interim Environmental Examination Report

Regarding to the following project, because, given the nature of the project, documents necessary for environmental reviews were not available at the time that a decision on the funding must be made, JBIC made a decision on the funding on the condition that it will undertake the environmental reviews after decision making, in accordance with the Part 1 6. (1) of the *Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations*.

Prior to the decision-making, JBIC made confirmation, to the extent possible, with respect to environmental and social considerations as follows:

( 1 ) Project Name

Railway Project

( 2 ) Project Site

State of Texas, United States

( 3 ) Project Outline

Development, construction and operation of a new railway.

( 4 ) Category Classification

Category A

( 5 ) Reason for Classification

The project falls into the sensitive sectors (roads, railways and bridges), has sensitive characteristics and is located in or near sensitive areas under the Environmental Guidelines.

( 6 ) Environmental Permits and Approvals

The draft of ESIA report was completed and the final version of ESIA report, responding the comments on the draft from the public, is expected to be completed on December, 2018.

( 7 ) Pollution Mitigation Measures

This item will be confirmed after the completion of the final version of ESIA report.

( 8 ) Natural Environment

This item will be confirmed after the completion of the final version of ESIA report.

( 9 ) Social Environment

Appropriate measures for land acquisition will be taken by the developer of the project.

( 1 0 ) International Standard  
IFC Performance Standards

( 1 1 ) Others, Monitoring

Taking the above interim environmental review into consideration, monitoring will be conducted with status with the environmental permits related to the ESIA report, compliance status with the conditions attached to the ESIA report, presence of the comments pointed out by local residence etc. ,and measures to address those comments, if any, at an appropriate time.

## Questions

**Q1.** Please provide the address of the project site.

Address of the project site: 1409 South Lamar Street, Suite 1022, Dallas, Texas 75215

**Q2.** Please provide brief explanation of the project.

Texas Central is developing an approximately 240-mile high-speed rail line in State of Texas between Dallas and Houston utilizing the Tokaido Shinkansen N700 train system.

**Q3.** Will JBIC loan be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

- New Project  Executing Project (with Claim etc.)  
 Executing Project (without Claim etc.)  Others (Please specify )

**Q4.** In case of this project, is it necessary to execute Environmental and Social Impact Assessment (ESIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of ESIA.

- Required (completed )  Required (under execution or under planning)  
 Not Required  Others (Please specify )

The project's Environmental Impact Statement (EIS) is currently in process, and the Draft Environmental Impact Statement (DEIS) was released by the Federal Railroad Administration acting as lead agency in December 2017.

**Q5.** In case that ESIA is already completed, please inform whether ESIA report is already approved based on the environmental and social assessment system of the country where the project is to be implemented or not. If ESIA report is already approved, please provide the date and name of authorities of the approval.

- Approved (without condition)  Approved (conditional)  
 Under approval process  Others (Please specify )

Date of Approval : N/A

Name of Authorities : Federal Railroad Administration

**Q6.** If environmental and social permit(s) other than ESIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

- Obtained  Required, but not obtained yet  
 Not required  Others (Please specify )

Name(s) of required permit(s) : Clean Water Act Section 404 and Section 408 permits are required to be obtained from the United States Army Corps of Engineers

**Q7.** Will the loan be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

No

If you answered "Yes", it is not necessary to reply to the following questions.

If you answered "No", please reply to the following questions.

**Q8.** Are there any environmentally sensitive area(s) shown below in and around project site(s)?

Yes

If you answered "Yes", please select applicable items by marking, and reply to the following questions.

If you answered "No", please reply to the questions 9 and after.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous people, and cultural heritage, etc. designated by national governments)
- (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- (3) Habitats with important ecological value (including coral reefs, mangrove, wetland and tidal flats.)
- (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc
- (5) Areas in danger of large-scale salt accumulation or soil erosion
- (6) Areas with a remarkable tendency towards desertification
- (7) Areas with unique archaeological, historical or cultural value
- (8) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life (including areas which are used for cultural or spiritual purposes) and other areas with special social value

**Q9.** Does the project involve following characteristics?

Yes

If you answered "Yes", please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered "No", please reply to the questions 11 and after.

- (1) Involuntary resettlement and/or loss of means of livelihood  
(Number of affected people: 272 to 298 residences to be relocated)
- (2) Pumping of groundwater (Scale: \_\_\_\_\_ m<sup>3</sup>/year)
- (3) Land reclamation, development and/or clearing (Scale: approx. 3220 to 3225 ha to be converted)
- (4) Deforestation (Scale: \_\_\_\_\_ ha)

**Q10.** Under the environmental and social impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) – (4) of the questions 9 above and their scale serve as basis for executing an ESIA for the project?

- They do
- They do not
- Others (Please specify \_\_\_\_\_ )

**Q11** May the project involve significant social impacts?

No

If you answered "Yes", please describe the outline of the impacts, and reply to the questions 12 and after.

If you answered "No", please reply to the questions 12 and after.

- The likelihood of severe project-related human rights impacts ( \_\_\_\_\_ )
- Others ( \_\_\_\_\_ )

**Q12.** Will JBIC share in the project be equal or less than 5% of the total project cost, or the total amount of JBIC loan equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

**No**

If you answered "Yes", it is not necessary to reply to the following questions.

If you answered "No", please reply to the questions 13 and after.

**Q13.** Does the project belong to either of the sectors that impact on the environment and society is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansive renovation project, and acquisition of rights and interests without additional capital investment)?

**No**

If you answered "Yes", it is not necessary to reply to the following questions.

If you answered "No", please reply to the questions 14 and after.

**Q14.** Does the project belong to the following sectors?

If you answered "Yes", please specify the sector by marking, and reply to the questions 15 and after.

If you answered "No", it is not necessary to reply to the following questions.

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Cement plants (including a greenfield quarry)
- (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (12) Thermal power
- (13) Nuclear power
- (14) Hydropower, dams and reservoirs
- (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (16) Roads, railways and bridges
- (17) Airports
- (18) Ports and harbors
- (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (20) Waste management and disposal
- (21) Agriculture involving large-scale land-clearing or irrigation
- (22) Forestry
- (23) Tourism (construction of hotels, etc.)

**Q15.** Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, please explain whether an execution of ESIA is required on account of the large scale of the project in the country where the project is implemented.

1. The Project includes the deployment of an electric-powered HSR passenger rail system based on Central Japan Railway Company's N700 Tokaido Shinkansen.
2. In coordination with the Federal Railroad Administration (FRA) Office of Railroad Safety, the train technology would be adapted to meet the regulatory requirements and environmental conditions between Dallas and Houston, as established by an FRA Rule of Particular Applicability or other regulatory action(s) to ensure the Project is operated safely.
3. Texas Central is proposing three stations as part of the Project: two terminal stations (Dallas and Houston) and one intermediate Brazos Valley Station in Grimes County. In addition to the stations, the system would require additional facilities to support its operation. These facilities include Trainset Maintenance Facilities (TMF), Maintenance-of-Way (MOW) facilities and Traction Power Substations and other supporting power infrastructure.