April 5, 2024

The Honorable Merrick Garland
Attorney General
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Attorney General Garland:

I write to you regarding the Department of Justice's enforcement of the Foreign Agents Registration Act (FARA).

For the past decade, a web of entities collectively known as "Texas Central" have operated within the United States, particularly within the State of Texas, to change the landscape of Texas forever at the direct behest of various sovereign wealth funds of the Japanese government. Through a group of DC-based consultants – namely, New Magellan Ventures – Texas Central has promoted a proposed Dallas-to-Houston high-speed rail line with what appears to be Japanese government funding and using Central Japan Railway's Shinkansen technology (the "Project"). Through these efforts, Texas Central appears to have acted (and may still act) as an agent of the Japanese government with regard to numerous political activities intended to influence both lawmakers and the public within the United States with reference to formulating, adopting, or changing the domestic policies of the United States. Yet, neither New Magellan Ventures nor any of the Texas Central entities or their representatives have ever registered with the Department of Justice under the Foreign Agents Registration Act of 1938 ("FARA").

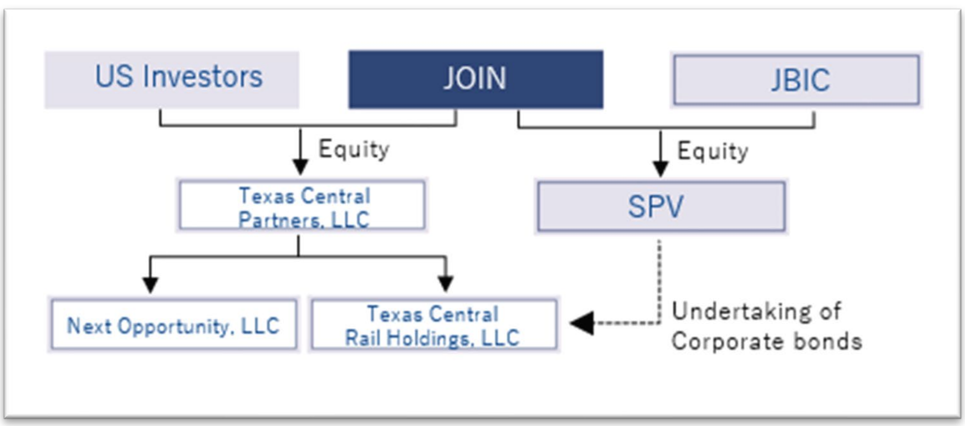
Texas Central Holdings, LLC – the apparent holding company for the Texas Central entities – shares a Washington, DC address with New Magellan Ventures, which advertises that it "[a]dvises on government relations and domestic and international policies" and "[f]acilitates access to government and business leaders."[1] New Magellan's Richard Lawless, a Central Intelligence Officer posted in Tokyo in the 1980s, served as Texas Central's Chairman and CEO when Texas Central began promoting the Project in 2014. But according to Lawless, the Project had "been progressing below the radar… over the last four years plus." During this pre-2014 time period, Texas Central was called U.S.-Japan High-Speed Rail. In or around 2015, its CEO

[1] New Magellan Ventures, www.nmvconsulting.com (Attached).

touted publicly that the Project "is of national significance to Japan." According to a top official at the Japanese Ministry, it was, in fact, the official's "number one project."[2]

In fact, the Texas Central project is backed by numerous Japanese sovereign wealth funds. Namely, Texas Central is partnered with the Japan Bank of International Cooperation ("JOIN"), which has been and now appears to be Texas Central's primary source of funding.[3] JOIN is a Japanese government-sponsored infrastructure investment fund company established in October 2014. JOIN's stated aim is to encourage Japanese companies to utilize their accumulated knowledge, technology, and experience in the field of infrastructure to expand overseas. Promotion of infrastructure system in overseas markets is one of the Japanese government's key policies.

The Japan Bank for International Cooperation ("JBIC") is also integrally involved. JBIC is a Japanese public financial institution and export credit agency that is wholly owned and controlled by the Japanese government. On August 31, 2018, JBIC created a special purpose vehicle, Japan Texas High-Speed Railway Cayman LP ("JTHSR"), established to provide financial support for the development of the Project.[4] Through the investment to JTHSR, JBIC and JOIN provided $40,000,000 in cash and a $300,000,000 loan to TCR. According to JOIN's website, the structure of this "Investment Scheme" is as follows: [5]



The result for Texans is that, through this investment by Japan's sovereign wealth funds, the Japanese government stands to own a large swath of land currently held for the development of the Project. Based on a series of real property transactions recorded in counties along the proposed Dallas-to-Houston route, the Japanese government required Texas Central to put up property it had purchased from landowners as collateral for the sizeable loan. In each county

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[2] Brian Curtis, *Texas High-Speed Train Receives More Cash*, NBC5 DFW, Nov. 30, 2015, https://www.nbcdfw.com/news/local/texas-high-speed-train-receives-more-cash/150931/ (Attached).

[3] *JBIC and Texas vow to boost Japanese investment in U.S. state*, Japan Times, Oct. 5, 2019, https://www.japantimes.co.jp/news/2019/10/05/business/jbic-texas-vow-boost-japanese-investment-u-s-state/#.Xu0-SV1KiiN (Attached).

[4] *Id.*

[5] Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development, Texas High Speed Railway Dev., https://www.join-future.co.jp/english/investments/achievement/index.php?c=investment_en_view&pk=1603180741 (Attached).

(e.g., Leon,[6] Waller,[7] Madison,[8] Harris,[9] and Grimes[10]), Texas Central filed a "Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing" relating to property owned by Texas Central in that county. The beneficiary of these Deeds of Trust is an offshore entity named "Japan Texas High-Speed Railway Cayman GP," which appears to be the general partner of the special purpose vehicle, Japan Texas High-Speed Railway Cayman LP, created by JBIC.

The Deeds of Trust were executed by the debtor and property owner (Texas Central), to a trustee who will hold the property in trust for the creditor (Japan Texas High-Speed Railway Cayman GP). Although the Deeds of Trust do not convey actual title to the Japanese government via the offshore Japanese entity, the security interest can quickly and easily be converted to full legal and possessory title without judicial foreclosure if Texas Central defaults on its loan payments.

Further, as apparent agents of the Japanese government, Texas Central, including through its own agent New Magellan, engages with federal government authorities to attempt to change policies in ways that would benefit it. In particular, Texas Central has engaged extensively with officials of both the Federal Railroad Administration ("FRA") and the Surface Transportation Board ("STB") since as early as 2014. After FRA issued a first-of-its-kind "Rule of Particular Applicability" approving Japanese technology for the Texas Central project, former Texas Central CEO Carlos Aguilar admitted as much by stating, "[t]his is the moment we have been working towards. The release of the final RPA and ROD by the Federal Railroad Administration represents years of work by countless individuals, affirming a very thorough and careful regulatory process that will make the Texas Central Railroad the first high-speed rail system to be implemented in the United States."[11] Tellingly, after an unsuccessful lobbying effort at STB for an application exemption from the typical rail line approval process, Texas Central has thus far declined to file an application that would require it to disclose the sources of its financing and how much financing it has secured to date.

In short: Texas Central and its consultants have accepted funding from, and appear to have been controlled by, Japanese sovereign wealth funds for over a decade. These arms of the Japanese government stand to control huge tracts of land in Texas, and are working to influence the regulatory arms of the federal government. And they are doing it all without full and proper disclosure under FARA, which only your Department can enforce.

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[6] Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, Leon County, Tex., Jun. 12, 2020, https://tinyurl.com/y28y9tnk.
[7] Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, Waller County, Tex., Jun. 12, 2020, https://tinyurl.com/yefjcxyb.
[8] Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, Madison County, Tex., Jun. 12, 2020, https://tinyurl.com/5x7mhxph.
[9] Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, Harris County, Tex., Jun. 12, 2020, https://tinyurl.com/yrcdtkxr.
[10] Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, Grimes County, Tex., Jul. 15, 2020, https://tinyurl.com/vn4eufuv.
[11] Texas Central Railroad, Texas Central Railroad Reaches Two Historic Milestones, Sep. 21, 2020, https://www.texascentral.com/posts/texas-central-railroad-reaches-two-historic-milestones/ (Attached).

I respectfully request that you and the Department review the facts and circumstances of the matter described above to ensure that this law is enforced and applied fairly and uniformly to protect U.S. national interests from the unreported influence of foreign nations.

Thank you for your attention to this important issue. I look forward to your prompt response.

Sincerely,

Steve Roberts

cc: Matthew Olsen, Assistant Attorney General for National Security

ATTACHMENT

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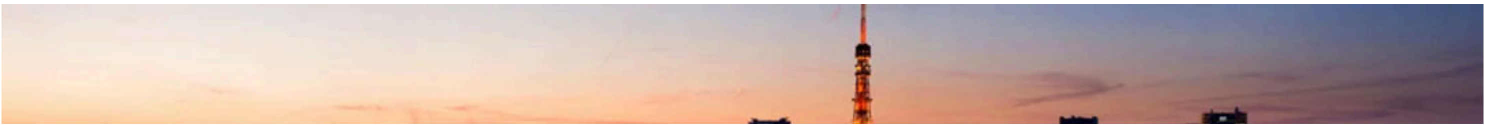

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DALLAS

Texas High-Speed Train Receives More Cash

By Brian Curtis • Published November 30, 2015 • Updated on November 30, 2015 at 10:40 pm

The plan to build a high-speed train between Dallas and Houston is picking up financial steam.

The plan to build a high-speed train between Dallas and Houston is picking up financial steam.

The Japan Overseas Infrastructure Investment Corporation for Transportation & Urban Development (JOIN) has agreed to invest $40 million in the project. That's in addition to $75 million from Texas-based investors.

Texas Central Partners, the private company developing the train, estimates the cost of building the 240-mile rail line at $10 to $12 billion.

"We have interest expressed from all over the world – and from all over Texas, in particular – in terms of the project," said Tim Keith, CEO of Texas Central.

Vice President Touts Texas High-Speed Rail Plan

Keith said future funding could come from more private investors, the U.S. Department of Transportation and Japanese sources such as JOIN.

JOIN's mission is to promote the export of Japanese know-how and technology.

Opponents Raise Concerns About High-Speed Rail

"This is of national significance to Japan," said Keith.

A top official at the Japanese Ministry in charge of transportation described the Dallas-Houston train as his "number one project."

Kyle Workman, president of Texans Against High-Speed Rail, wonders if the rail line is in the best interest of Texas.

"It's clear that Japan is heavily involved," Workman said.

Workman is also concerned about the project's financial viability. He is skeptical of claims by Texas Central that enough Texans will ride the train to make it profitable.

"People are not going to give up their cars," Workman said.

Without enough riders, Workman fears that Texas taxpayers may ultimately have to fund a bailout.

"We don't want to see Texas saddled with this project long-term," he said.

Workman wants a guarantee that no taxpayer money will be spent on the plan.

Texas Central says it has no plans to lose its investors' money.

"We expect it to be successful, and the risk that's being taken is being taken and borne by our investors," said Keith.

The company hopes to start construction in 2017 and begin carrying paying passengers in 2022.

Texas Central is scheduling a number of public hearings across the state to discuss the project.

Open House Schedule:

Dallas -- Dec. 1 -- 6:30 p.m. to 8:30 p.m.
South Side Ballroom
Lone Star Room, 1135 South Lamar Street

Corsicana -- Dec. 2 -- 6:30 p.m. to 8:30 p.m.
Corsicana Opry and Event Center
Oil Field Room, 215 East 5th Avenue

Ennis -- Dec. 3 -- 6:30 p.m. to 8:30 p.m.
ENB Event Center Building
116 West Ennis Avenue

Jewett -- Dec. 5 -- 10 a.m. to noon
Jewett Civic Center
111 North Robinson Road

Navasota -- Dec. 5 -- 3 p.m. to 5 p.m.
Navasota River Halls
2692 TX - 105

Fairfield -- Dec. 7 -- 6:30 p.m. to 8:30 p.m.
Depot X
140 U.S. Highway 84 East

Mexia -- Dec. 8 -- 6:30 p.m. to 8:30 p.m.
City of Mexia Convention Center
101 South McKinney Street

Waller -- Dec. 9 -- 6:30 p.m. to 8:30 p.m.
Waller High School Cafeteria
20950 Fields Store Road

Cypress -- Dec. 10 -- 6:30 p.m. to 8:30 p.m.
Tin Hall
14800 Tin Hall Road

Madisonville -- Dec. 11 -- 6:30 p.m. to 8:30 p.m.
St. Elizabeth Ann Seton Catholic Church
100 South Tammye Lane

This article tagged under:

DALLAS • TEXAS • HOUSTON • TRANSPORTATION • JAPAN

the japan times
THE INDEPENDENT VOICE IN ASIA

BUSINESS

JBIC and Texas vow to boost Japanese investment in U.S. state

KYODO

Oct 5, 2019

The Japan Bank for International Cooperation and Texas have agreed to promote Japanese investment in the southern U.S. state in new business areas such as renewable energy, mobility services and disaster risk reduction.

JBIC Gov. Tadashi Maeda and Texas Gov. Greg Abbott signed a memorandum of understanding on the matter during a Sept. 27 meeting in Tokyo.

The agreement came about a year after the Japanese government-backed lender said it will extend $300 million in loans to Texas Central Rail Holdings LLC for the development of a high-speed railway project linking Dallas and Houston.

The agreement allows JBIC to further facilitate Japanese companies' activities in Texas, ranging from existing areas such as auto manufacturing and infrastructure construction to new fields including digital connectivity and water.

"We will foster greater investment in both Texas and Japan, while

Texas is the second-largest U.S. state in terms of population and gross domestic product.

KEYWORDS

RAIL(HTTPS://WWW.JAPANTIMES.CO.JP/TAG/RAIL), INVESTMENT (HTTPS://WWW.JAPANTIMES.CO.JP/TAG/INVESTMENT), TEXAS (HTTPS://WWW.JAPANTIMES.CO.JP/TAG/TEXAS), JBIC (HTTPS://WWW.JAPANTIMES.CO.JP/TAG/JBIC)

USA

Texas High Speed Railway Dev.

Country	USA
Sector	High-speed Railways
Project Stage	Green Field
Investment Partner (Japanese Company)	JBIC
Investment Partner (Foreign Company)	US Investors
JOIN's Investment	JPY 4.9 bn (US$ 40 mn) and subscription of notes up to US$ 300 mn
Date of Approval	November 2015

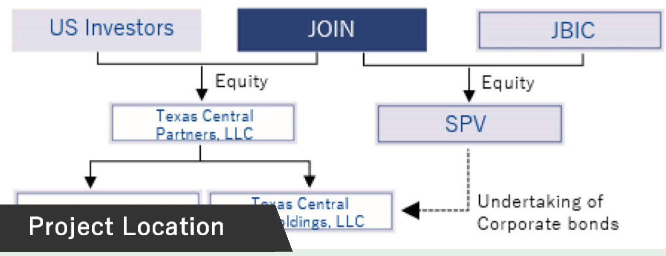
Project Overview

High-speed railway development project in the State of Texas of the United States of America, led by the U.S. private company Texas Central Partners, LLC (TCP). The development project entails financing plans, acquisition of land and detail designing. The project is currently in the development stage.

Significance

To become the model project that show cases the competitive advantage of Japan’s high speed rail technology.

Investment Scheme



Project Location

Source：US Census Bureau

Texas Central Railroad Reaches Two Historic Milestones

September 21, 2020 ■ News, Project Updates

Nation's first high-speed train is ready to go

Your Texas High-Speed Train is two steps closer to construction as the U.S. Department of Transportation's Federal Railroad Administration (FRA) has released the pre-publication version of the final Rule of Particular Applicability (RPA) and the Record of Decision (ROD), marking major achievements for this historic project.

The RPA provides the regulatory framework for Texas Central Railroad, establishing a comprehensive set of safety requirements that will govern the high-speed train system's signal and trainset control, track, rolling stock, operating rules and practices, system qualifications, and maintenance. This RPA is based on a systems approach to safety which incorporates accident avoidance measures that are significantly more stringent than those required for conventional U.S. rail operations.

The system Texas Central Railroad proposes to build in Texas will replicate the service-proven Japanese Tokaido Shinkansen high-speed rail system, as operated by the Central Japan Railway Company (JRC). Texas

Central chose this system because of its reputation as being one of the safest and most punctual train systems in the world. In its 55+ year history, it has transported over 10 billion passengers with an impeccable safety record of zero operational passenger fatalities and zero accidents since first deployed. As noted by the FRA, "this regulation was written specifically for this technology to maintain the integrity of the baseline safety case" of JRC's Tokaido Shinkansen and establishes "regulatory requirements codifying the service-proven technological, operational, and maintenance aspects of the Tokaido Shinkansen HSR system."

The ROD completes the FRA's environmental review process that began in 2014 as required by the National Environmental Policy Act (NEPA) and culminated with the publication of the 10,000+ page Final Environmental Impact Statement (FEIS) that was released on May 29, 2020. The ROD also formally selects the alignment that Texas Central Railroad will follow between Dallas and Houston.

> "This is the moment we have been working towards. The release of the final RPA and ROD 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."
>
> -Carlos Aguilar, CEO of Texas Central Railroad

From the highest levels of leadership throughout the whole company and supply chain, Texas Central Railroad is committed to living and fostering a culture of inclusiveness. As part of this commitment, the company's Business and Workforce Opportunity Policy (BWOP) outlines our strategy to attract, include, and maximize the participation of Texas-based rural, minority, women, small, disadvantaged, veteran, and disability-owned businesses in building and operating the Railroad. This responsibility is at the core of all decision-making processes throughout our organization, from contracting and recruiting to the allocation of financial resources.

Major Milestones Reached in 2020

Regulatory:

- **May 21:** US Army Corps of Engineers issued its preliminary designation affirming the FRA selected route as the Least Environmentally Damaging Proposed Alternative (LEDPA), agreeing with FRA on the chosen alignment
- **May 29:** FRA released the Final Environmental Impact Statement (FEIS)
- **July 17:** Surface Transportation Board (STB) confirmed jurisdiction over the Texas Central project
- **September 10:** FRA issued its Rule of Particular Applicability (RPA) and Record of Decision (ROD) establishing Federal safety standards under which Texas Central Railroad will operate the high-speed train and giving environmental clearance for the selected alignment from Dallas to Houston

Legal:

- **May 7:** The 13th Court of Appeals of Texas issued a unanimous ruling confirming Texas Central's status as a Railroad under Texas Law

Land:

- Texas Central has control of over 600 parcels of land needed for the project
- Texas Central has control of the three station sites in Dallas, Houston and the Brazos Valley

Jobs and Impact:

- Texas Central is ready to build and will proceed to construction as soon as possible to contribute to the Nation's COVID-19 recovery
- This project will create more than 17,000 direct jobs during the six years of construction and over 20,000 supply chain jobs
- This project will have over $10 billion dollars in immediate economic impact across the U.S. via contracts for steel mills and other manufacturers, minority and women owned businesses, veterans, rural businesses
- The project will inject an estimated $36 billion in economic benefits over its first 25 years in the form of direct spending during construction, employee payroll and spending related to the maintenance and operation of the system.

The full ROD/RPA will be published in the Federal Register soon.

*The alignment selected by FRA is referred to as Build Alternative A in the ROD.

HIGH-SPEED PARTNERS

To execute this project, Texas Central has put together a world-class team of experts and industry leaders including: