



## SANCTION CRRC NOW

### Groups Call for Using the International Emergency Economic Powers Act (IEEPA) to Impose Sanctions on PLA Directed CRRC

(Washington, DC) – In a letter sent to Treasury Secretary Steven Mnuchin, the Rail Security Alliance (RSA), the Alliance for American Manufacturing, United Steelworkers, the Foundry Society and the American Iron and Steel Institute called for “...immediate, meaningful, and permanent sanctions on CRRC for the continued protection of the economic and national security of the United States.”

As part of the National Defense Authorization Act (NDAA) for FY 1999, the Department of Defense (DoD) was mandated by Congress to release an annual list of companies under direct control of China’s People’s Liberation Army (PLA). On June 12<sup>th</sup>, DoD released its list for 2020, which included China Railroad Rolling Stock Corporation (CRRC) among others such as Huawei and Hangzhou Hikvision. Now that this list has been released, it allows President Trump to invoke the International Emergency Economic Powers Act (IEEPA) to impose sanctions against these companies.

The letter says: “CRRC’s rapidly growing presence in the U.S. transit rail industry is destabilizing to vital subsets of American industry and the U.S. workforce. The U.S. rail sector supports 65,000 American jobs and \$6.5 billion in annual GDP across all 50 states. Yet much of this is jeopardized by CRRC’s agenda and conquests to date. CRRC’s anticompetitive tactics to secure new bids have resulted in many other transit rail manufacturers – many of which have had substantial U.S. manufacturing operations – to have to downsize their U.S. workforce and shutter their U.S. operations. The downstream impact on U.S. rail suppliers has also been marked, impacting the steel and foundry industries and their workforces, among others. Moreover, the slow takeover efforts of the U.S. freight rail sector allow CRRC the opportunity to position itself to move next against the considerable U.S. freight railcar assembly industry -- a subsector of rail not protected by Buy America requirements. CRRC has already attempted to make inroads for such purposes with its launch of the now-defunct Vertex Rail Corporation in North Carolina.”

“To put it as bluntly as possible – the PLA has operations in two American cities and is providing smart railcars to cities across the nation,” said Erik Olson, Vice President of RSA. “This fact should terrify our nation’s leaders and spur them to immediate action.”

CRRC is a 100% state-owned enterprise. By its own admission, via a past tweet from their account, CRRC wants to “conquer” the global rail industry. It has decimated its competition in the past. You need to look no farther than Australia which had a domestic industry destroyed by CRRC. The U.S. rail industry is crucial to our economy, supporting 65,000 American jobs and \$6.5 billion in annual GDP across all 50 states.

The full text of the letter is available [here](#).



## **ABOUT THE RAIL SECURITY ALLIANCE**

The Rail Security Alliance exists to support and encourage the adoption and enactment of U.S. policies, procedures and laws that are designed to promote the security of the railroads and the railroad system of the United States of America.

For Immediate Release

July 22, 2020

Contact: Jeff Eller and Suzanne Geiger

[media@railsecurity.org](mailto:media@railsecurity.org)

(202) 318-0456