July 25, 2018

The Honorable Jack Reed
United States Senate
728 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Reed,

As representatives of the nation’s railcar manufacturing, steel, and associated supply industries, we share a common goal of ensuring the integrity and security of our nation’s critical transportation infrastructure. As the full Senate begins debate on H.R. 6147, the Interior, Environment, Financial Services, and General Appropriations Act, we respectfully urge you to support Amendment No. 3496, which has been proposed by Senators Cornyn, Baldwin, Cassidy, Peters, Roberts, Rubio, and Moran, and would ban FY2019 Federal Transit Administration (FTA) funds from being used to award a contract or subcontract to a Chinese state-owned, controlled, or subsidized enterprise.

As you may be aware, over the past three years, the Chinese state-owned enterprise China Railway Rolling Stock Corporation (CRRC) has aggressively targeted the U.S. market as a means of advancing China’s “Made in China 2025” initiative, which aims to overtake the United States and other nations in critical industries like passenger and freight railcar manufacturing. Using state-backed financing and other anti-competitive tactics, CRRC has now secured $2.6 billion in contracts to build metro transit cars for Boston, Chicago, Philadelphia, and Los Angeles. They are also aggressively pursuing transit orders in Washington D.C., Atlanta, and Miami.

These procurements raise grave national security concerns for the United States. Metro transit cars rely on an array of sophisticated technologies to ensure the safety of passengers, such as GPS, temperature sensors, impact detection—and in the case of Boston, surveillance cameras—all using technology and components produced by the Chinese government. There is overwhelming evidence that other Chinese government-owned entities that make similar technologies, such as ZTE and Huawei, have inserted backdoors in their technology to allow the Chinese government to engage in cyberespionage against the United States.

The U.S. government cannot continue to allow federal taxpayer dollars to directly subsidize the activities of a Chinese state-owned enterprise whose only objective is to further the interests of China at the expense of our own national security. Your consideration and support of this amendment is greatly appreciated.

Sincerely,

The Rail Security Alliance
The American Foundry Society
The United Steelworkers
The American Iron and Steel Institute