



American Perceptions of State-Owned Enterprises

Results from a survey of opinion influencers
in the United States

Background

There is an emerging potential threat to America's infrastructure from Chinese state-owned enterprises, particularly in passenger rail. Congress [recently](#) proposed legislation that would ban using federal funding for new procurements of mass transit passenger buses or rail cars from companies subsidized by the Chinese government. Experts have [warned](#) that Chinese cyber espionage linked to the country's Belt and Road Initiative is increasing. For this reason, we conducted an online survey among 1,000 U.S. adults nationwide. The survey was conducted by APCO Insight from July 25th – August 6th and has a margin of error of +/- 3.6%.

Key Findings

The data demonstrates that residents have major reservations about Chinese state-owned enterprises operating critical U.S. rail infrastructure. There are concerns over using companies headquartered in China and negative feelings toward state-owned enterprises in general, and heightened anxieties over cyber-attacks and the ability of Chinese state-owned enterprises to exert control over U.S. government policy.

- A plurality of respondents (48%) have negative feelings about U.S. rail infrastructure being supplied by a company headquartered in China.
- Respondents have largely negative feelings over state-owned enterprises in any country, with nearly half holding a negative opinion (46%) and only one-in four (28%) with a positive opinion.
- A clear majority of respondents (57%) are uncomfortable with U.S. taxpayer dollars going to a Chinese state-owned enterprise to build or provide the operating systems for a U.S rail system. Only a quarter (29%) are comfortable with this.
- Respondents are overwhelmingly concerned that if a Chinese state-owned enterprise provides U.S. rail infrastructure, it will exert control over local, state, and national government policy (89% concerned), including six-in-ten (60%) that express "serious concerns."
- They also show a high-level of concern with the risk of spying and cyber-attacks that could disrupt U.S. rail service (86% concerned, 41% very concerned).
- Respondents overwhelmingly agree that rail infrastructure should get the same level of cyber-security safeguards as other critical U.S. strategic infrastructure like energy, financial services, and air travel (68% strongly agree, 98% total agree).
- Respondents rated the most important factors for a manufacturer of U.S. rail infrastructure and those that topped the list are:
 1. Proven safety record (80% very important)
 2. Ethical and transparent in the way that it does business (77%)
 3. Track record of completing projects on budget and on time (71%)
 4. Headquartered in a country that is a trusted ally of the United States (58%)

U.S. Rail Infrastructure Safety

Results from a survey of 1,000 opinion influencers in the United States

July 25th – August 6th, 2018

Key Findings & Research Methodology



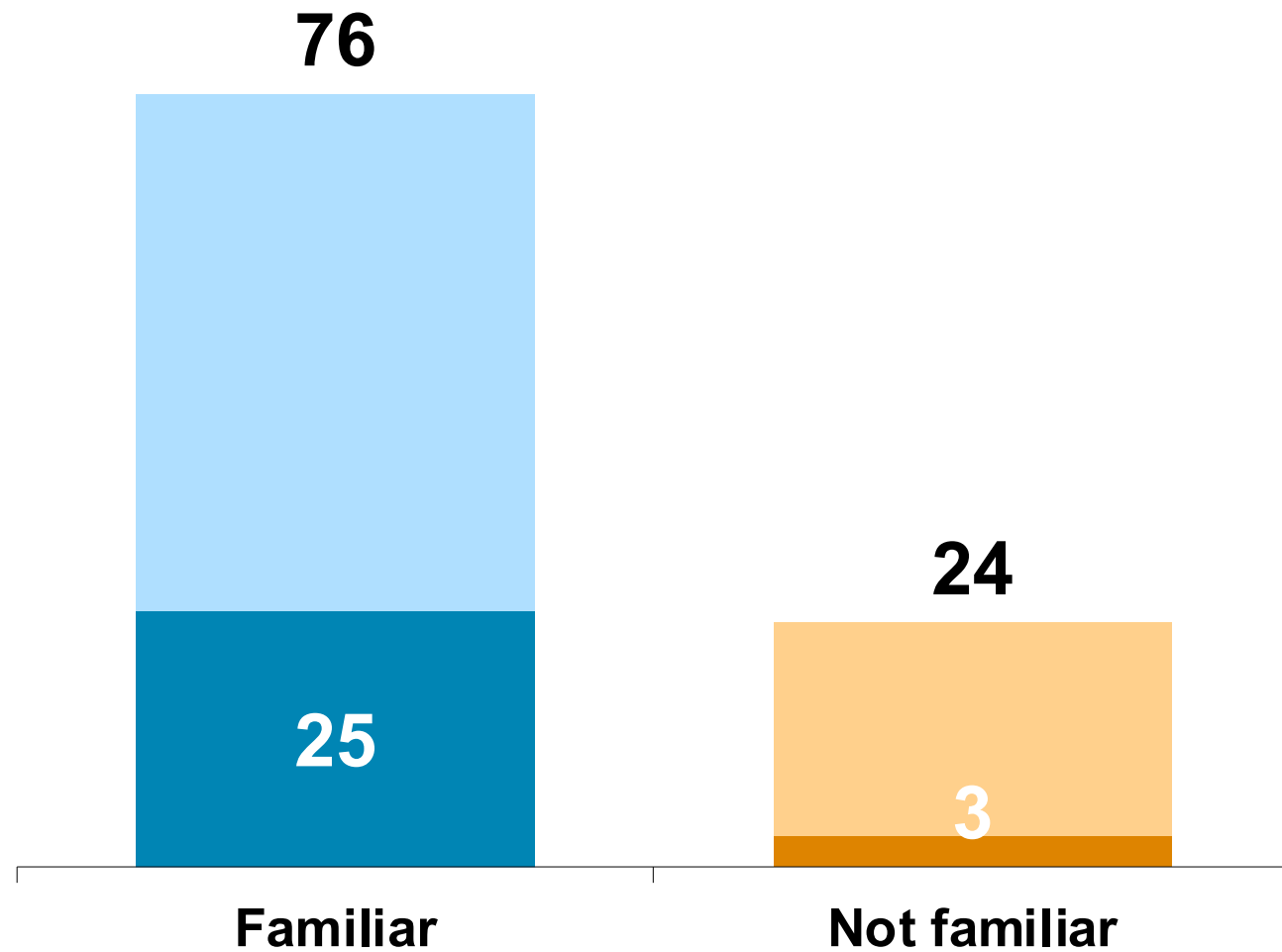
- The survey results demonstrate that Americans have serious concerns about taxpayer dollars going to a Chinese state-owned enterprise for U.S. rail infrastructure.
- Respondents have negative feelings about companies headquartered in China in general, as well as a negative opinion of state-owned enterprises.
- There are major concerns about a foreign country having influence over local, state, and national government policy.
- Companies headquartered in Canada are the most trusted manufacturers of U.S. rail infrastructure of any foreign country.
- The biggest concerns are related to the risk of spying and cyber-attacks in the next generation of smarter, more technologically advanced trains.



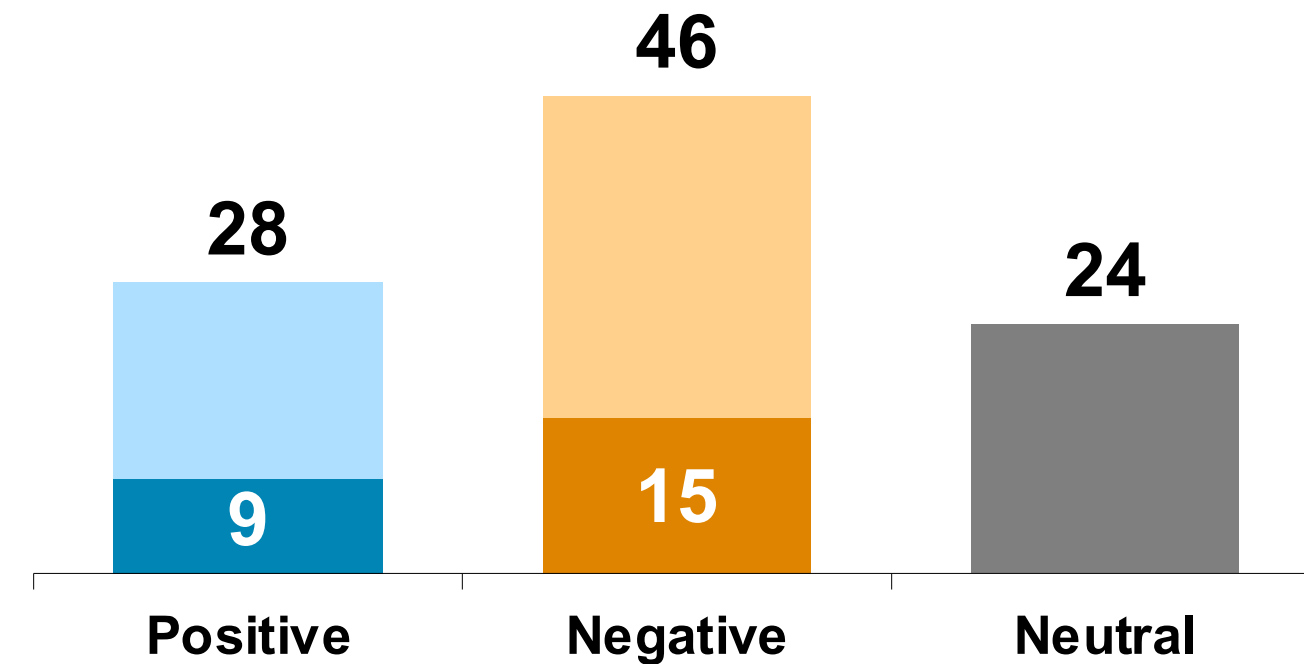
Unaided familiarity of state-owned enterprises is high, but respondents have a negative impression of state-owned enterprises.

- Almost half of respondents have a negative impression of state-owned enterprises.
- However, a quarter of the respondents are neutral toward state-owned enterprises – this audience could be swayed to lean negative with the right messaging

Familiarity with the term “state-owned enterprise”

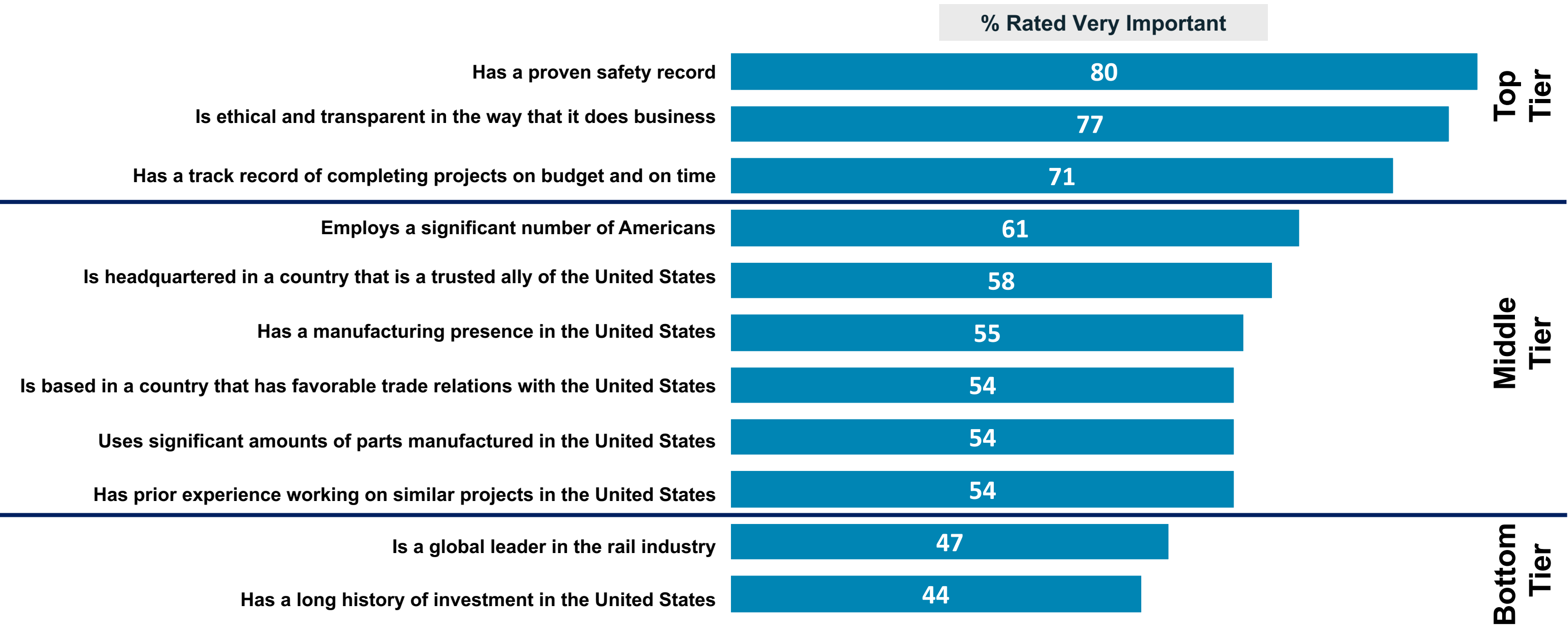


Impressions after given the following definition:
A state-owned enterprise is a business where a country and/or its government has ownership or significant control of the business and its operations. State-owned enterprises are often found in Asian countries including China and Middle Eastern countries including Saudi Arabia.





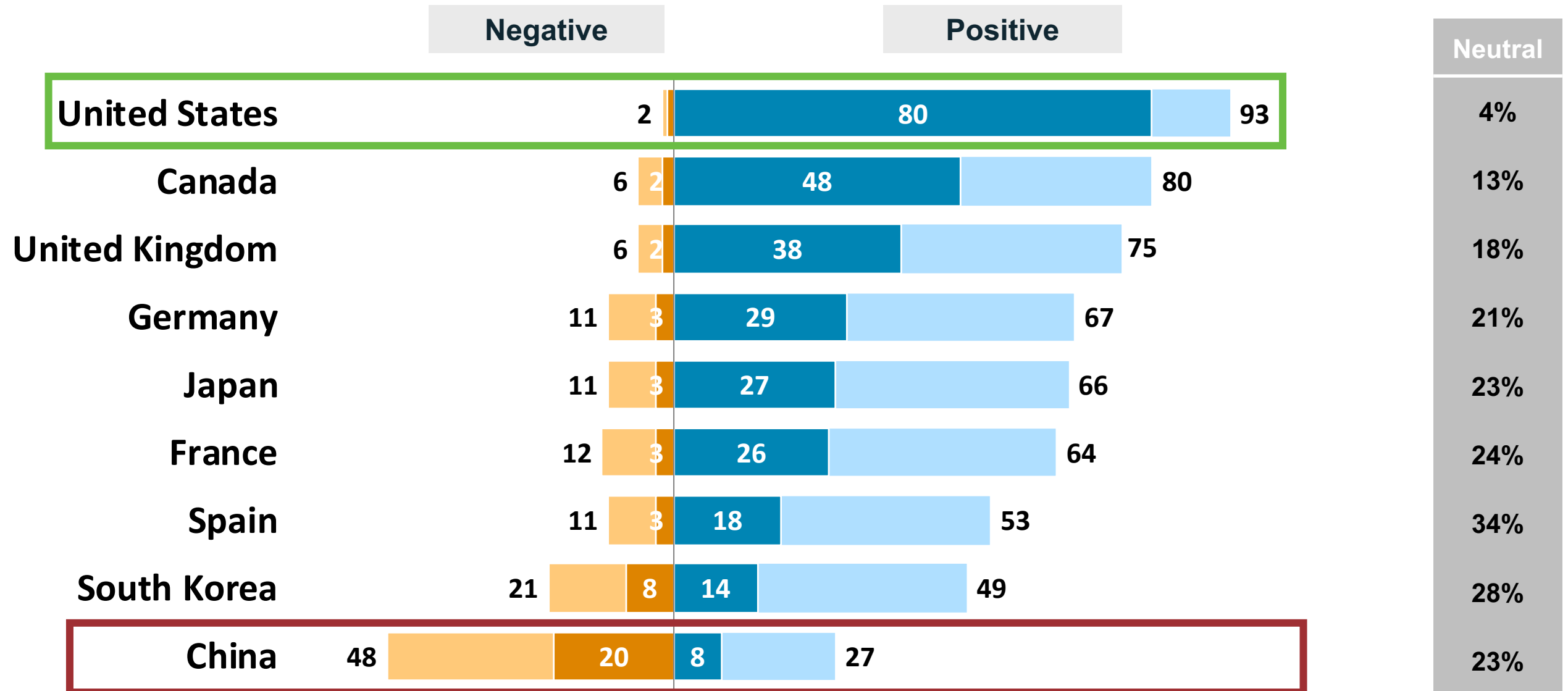
The top priorities for a manufacturer of rail infrastructure are safety, transparency, and a track record of completing projects on time and on budget.





Outside of the United States, Canada is the most popular country for a manufacturer of U.S. rail infrastructure.

- Close European allies like the United Kingdom and Germany trail behind Canada.
- China is the only country with a net negative. Given the trade war and security concerns, there is an apparent distrust toward them.

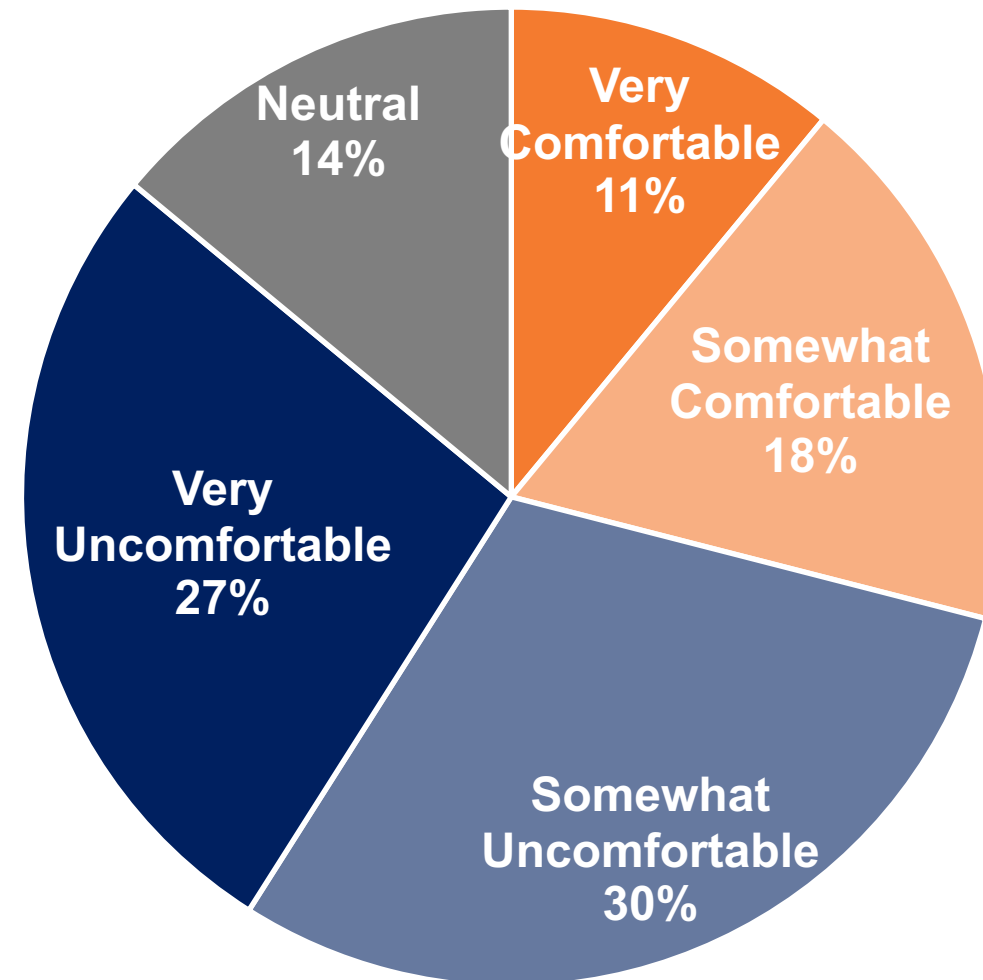




Most respondents are uncomfortable with taxpayer dollars going to a Chinese state-owned enterprise.

- The negative feelings for China and Chinese state-owned enterprises continue to be apparent.
- Only 29% would be comfortable with taxpayer money going to a state-owned enterprise to build or provide the operating system for U.S. rail system compared to the 57% who would be uncomfortable with this.

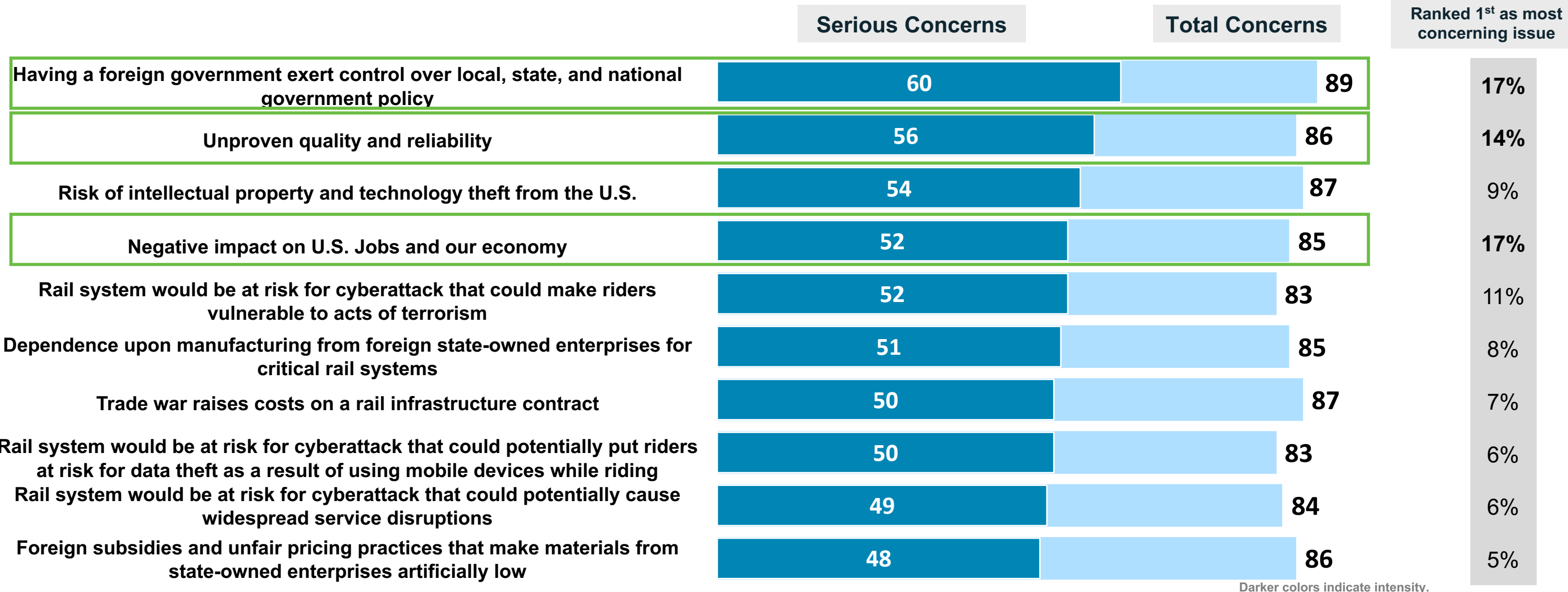
Very Uncomfortable (27% Total)
Millennials + Generation Z (18%)
Generation X (26%)
Baby Boomers (34%)
Silent + Greatest Generation (52%)



The top concern is having a foreign government exert control over government policy.



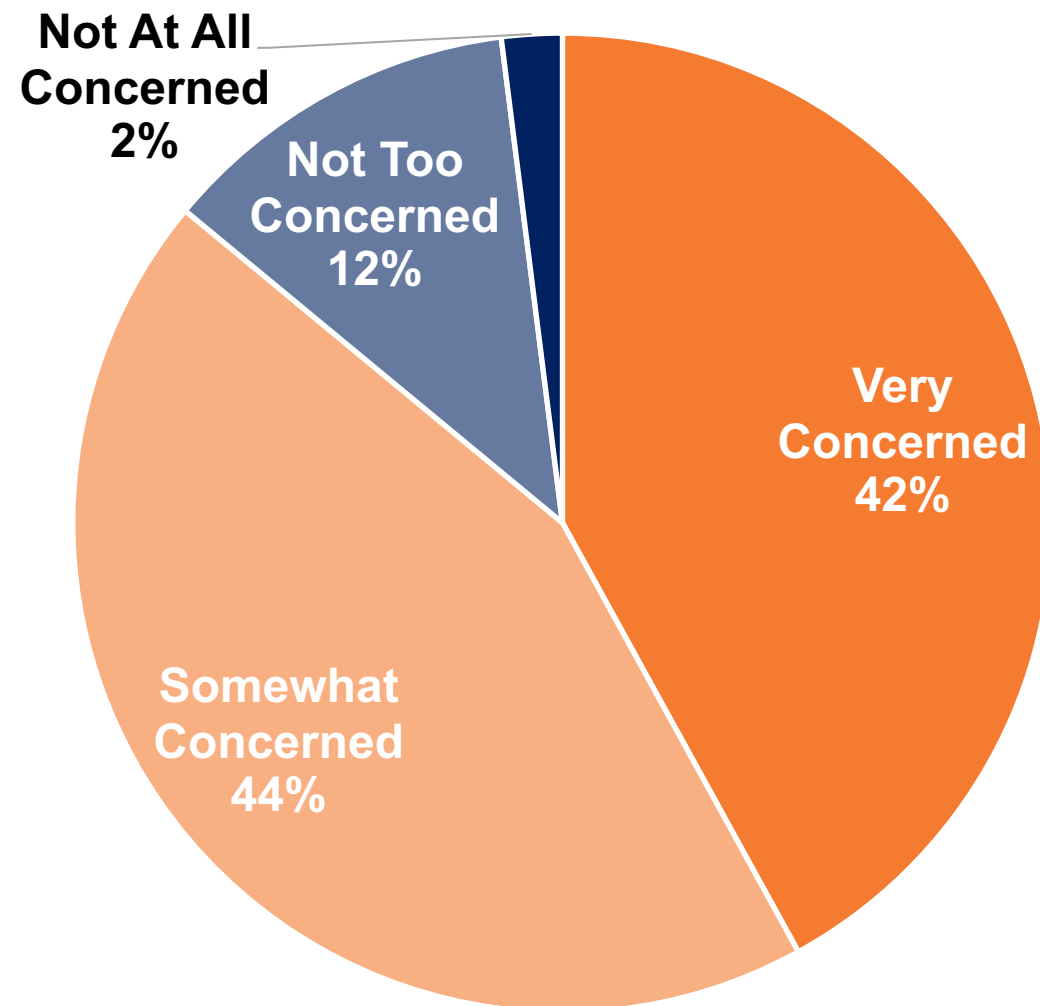
- While a strong majority of respondents found all these issues regarding working with a state-owned enterprise on U.S. rail infrastructure to be concerning, the top concerns are over foreign government control, and quality and reliability.





There is concern about the safety and security of U.S. rail systems and cars manufactured by Chinese state-owned enterprises.

- Every subgroup has at least 80% of respondents expressing some concerns.

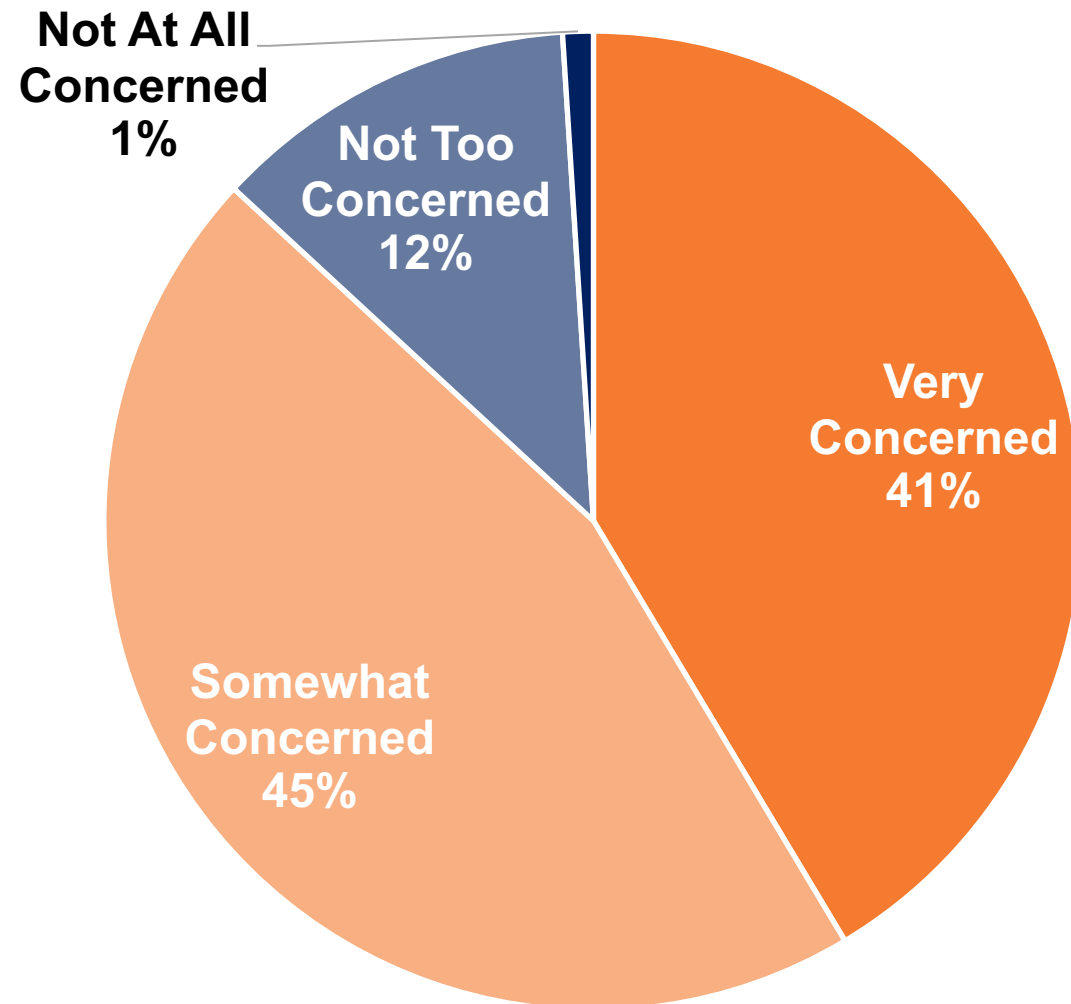


Very Concerned (42% Total)	
Income <\$50k	(49%)
Income \$100k-\$149,999	(48%)
Baby Boomers	(47%)
Generation X	(45%)



There are significant concerns over potential spying and cyber-attacks that could disrupt U.S. rail service.

- Concern is linked to age; young Americans (while still concerned overall) are not as worried as their older counterparts.
- Strong levels of concern are also higher among Republicans (46%) than Democrats (39%).



Very Concerned by Generation

Generation Z + Millennials: 37%

Generation X: 41%

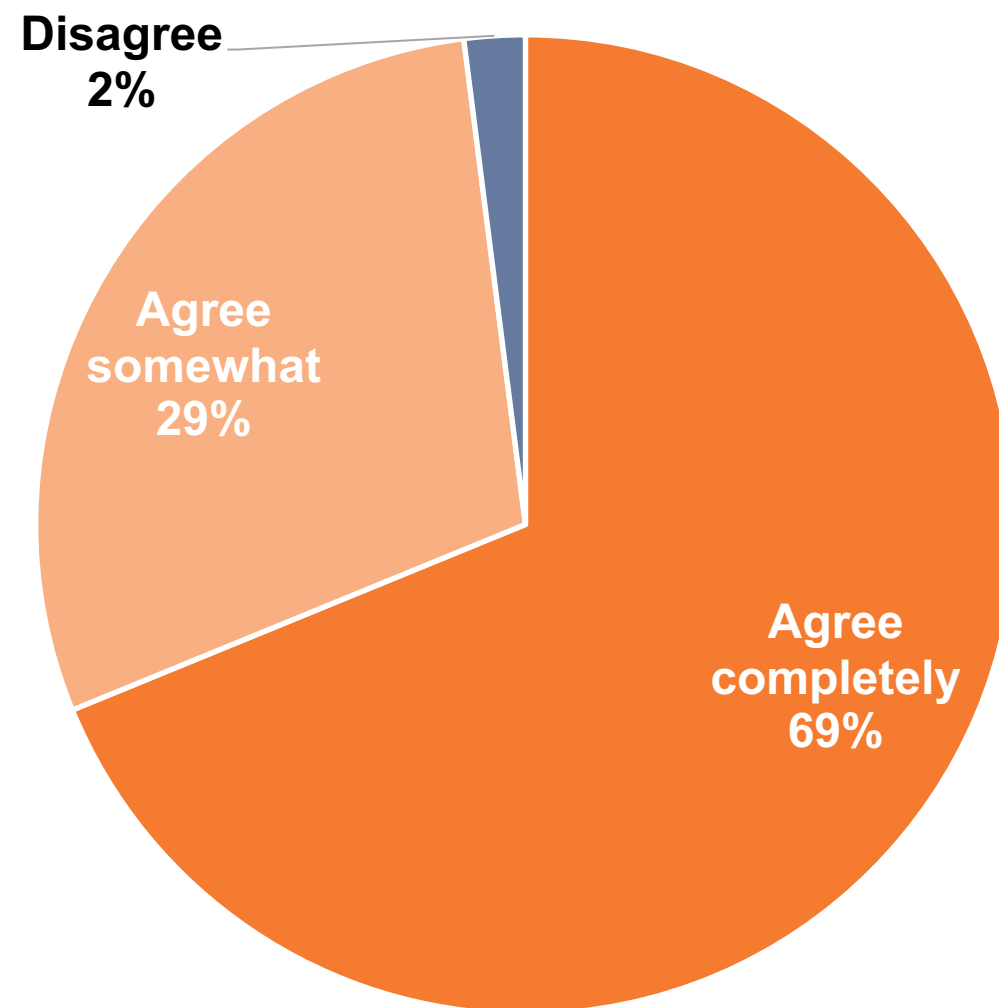
Baby Boomers: 43%

Silent + Greatest Generation: 50%



There is overwhelming agreement that rail infrastructure deserves the same cybersecurity safeguards as critical infrastructure like energy, telecommunications, and air travel.

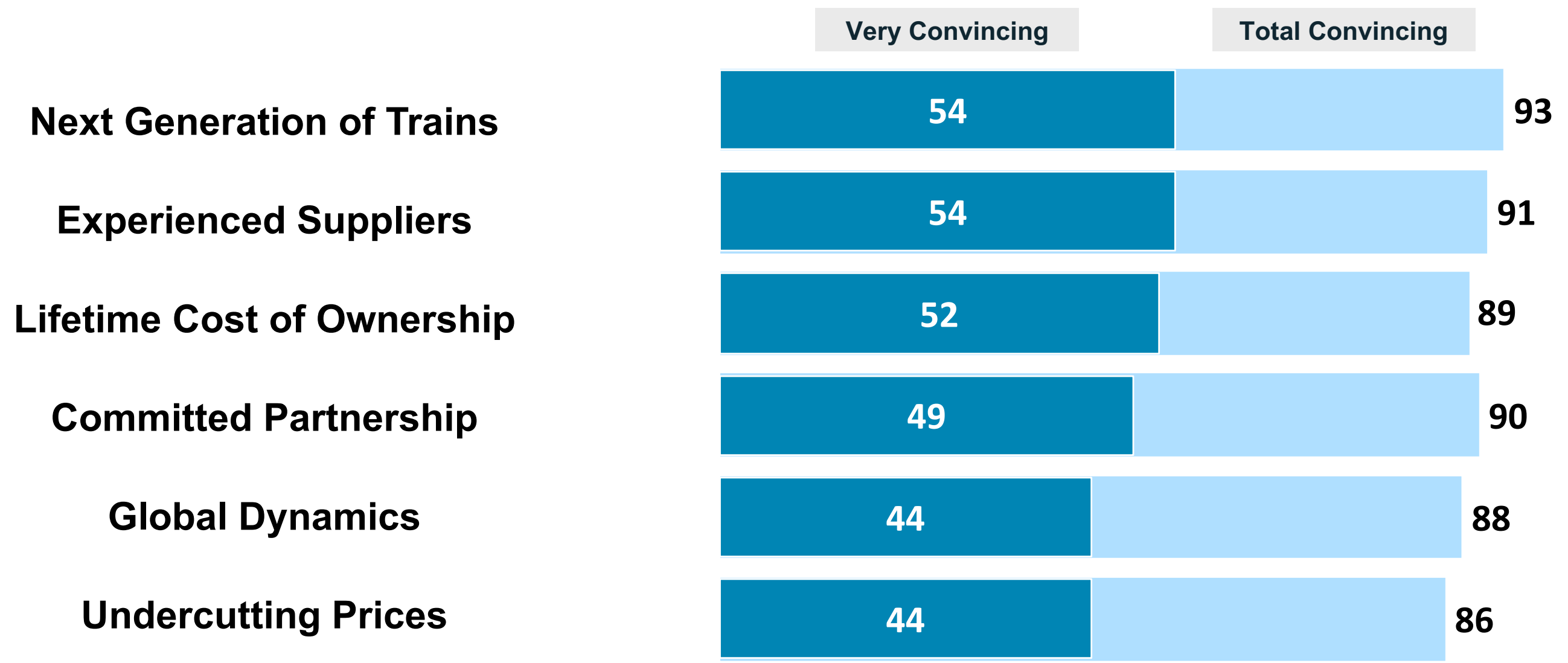
- Agreement is especially high among women (72% strongly agree), Baby Boomers (78%), and those making less than \$50k (75%).
- Hispanics (42% agree somewhat), Millennials + Generation Z (36%), and Generation X (32%) are more ambivalent.





Messaging detailing concerns and potential risks of using a state-owned enterprise are overall convincing.

- Top-tier messages emphasize the risks from cyber-attacks, benefits of using a trusted and experienced supplier, and being mindful of the large amount of taxpayer dollars at stake.
- While a majority of respondents found all the messages convincing, more than half found the top three to be very convincing.



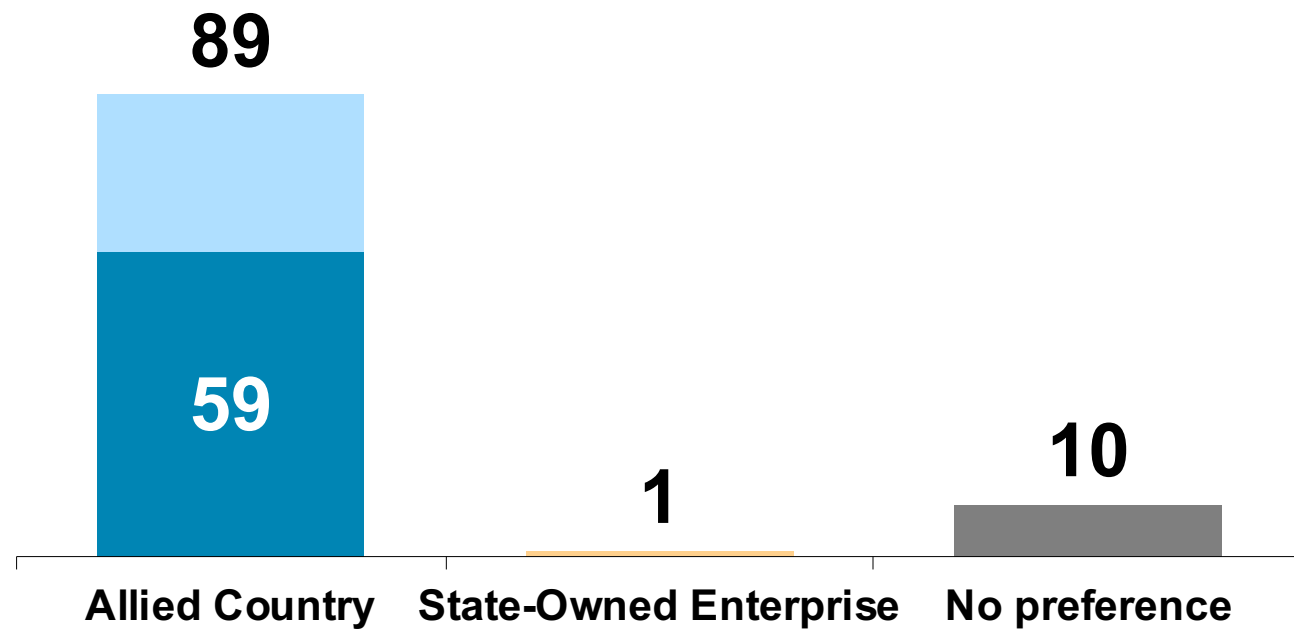
Full messages in the appendix.



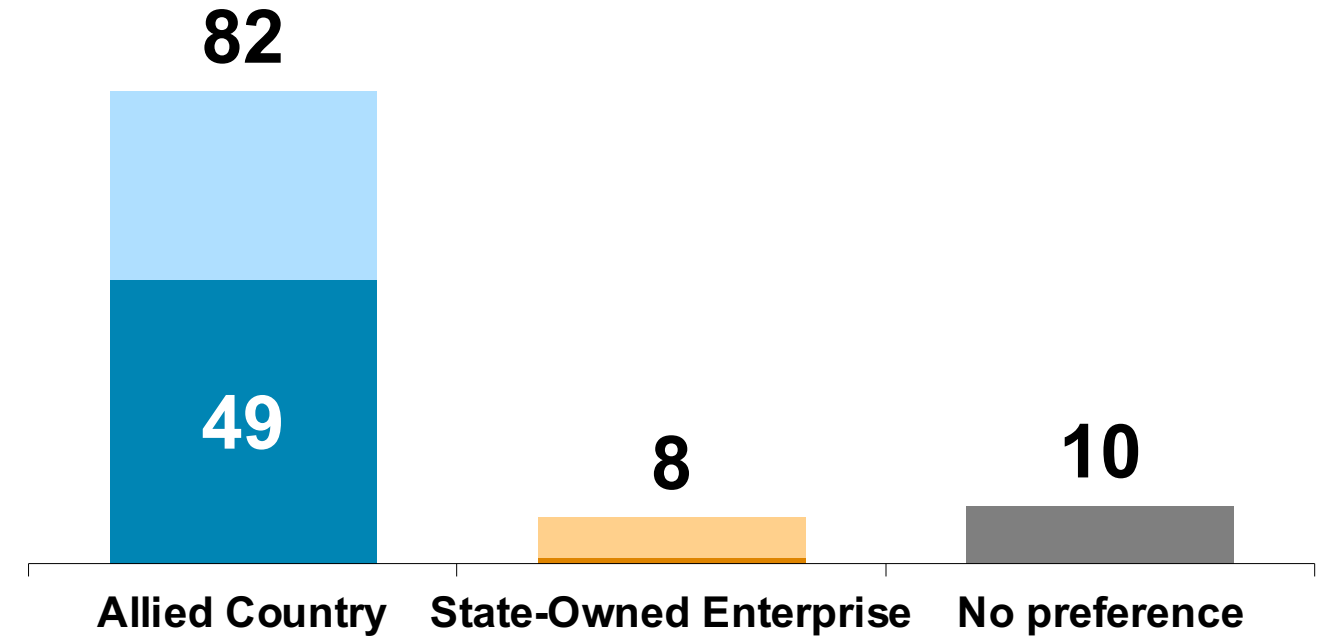
Respondents overwhelmingly prefer a publicly traded company in an allied country over a Chinese state-owned enterprise.

- Strong support drops from 59% to 49% when the prospect of the Chinese state-owned enterprise charging 50% less is introduced.

Now, considering your responses so far, if a U.S. transit authority is choosing a manufacturer for rail infrastructure, what is your preference: a publicly traded company from an allied country OR a supplier from a Chinese state-owned enterprise?



Now, imagine in this scenario that the Chinese state-owned enterprise offers a less expensive bid for the project. The Chinese state-owned enterprise will charge up to 50% less than the publicly traded company from an allied country.



Darker colors indicate intensity.



Profiles of Key Groups

Strongly prefer allied country

49%

- Women (53%)
- White (51%)
- Baby Boomers (52%)
- Generation X (51%)

Somewhat prefer allied country

34%

- Men (38%)
- Gen Z + Millennials (38%)
- Democrats (37%)

No preference or prefer SOE

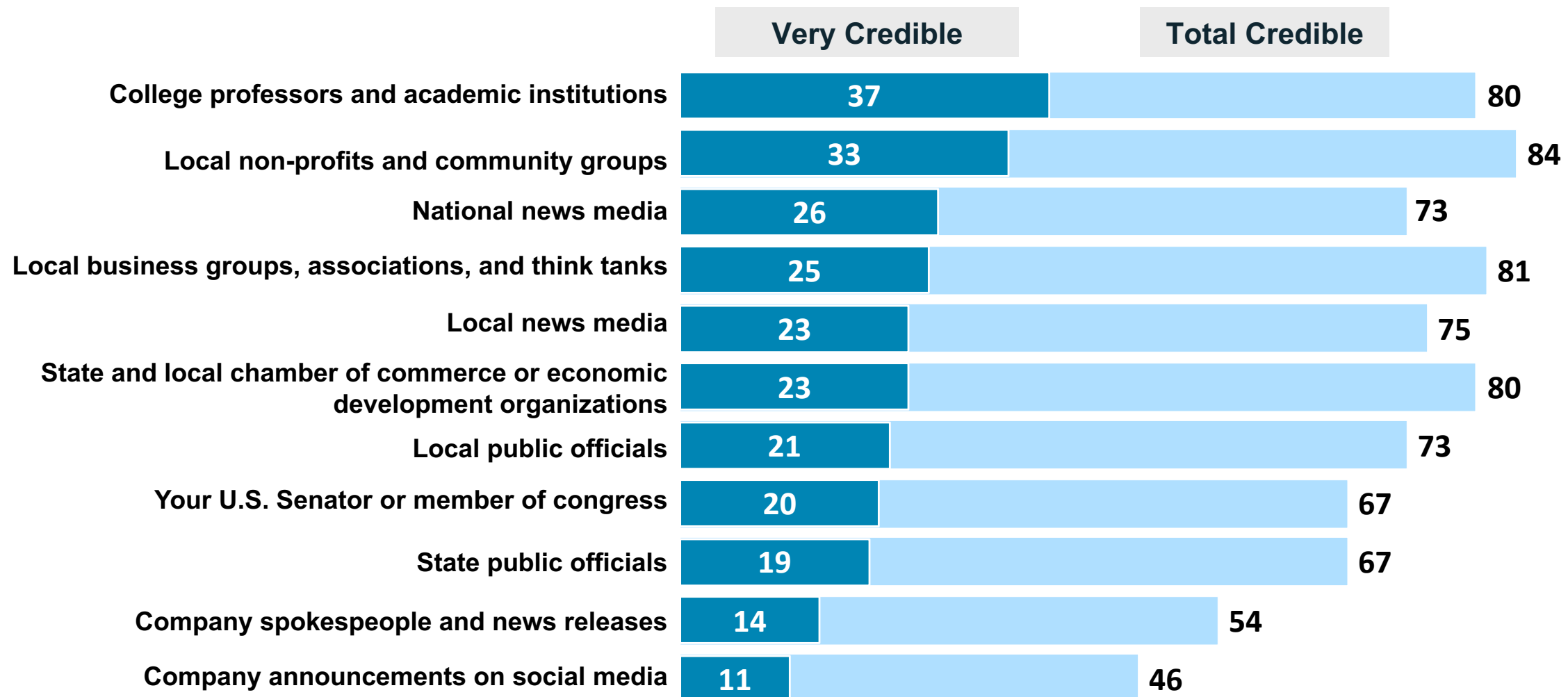
18%

- African-American (25%)
- Asian-American (22%)
- Incomes \$150k+ (21%)
- Generation Z + Millennials (20%)



The most trusted sources of information on this topic are professors, academic institutions, and local non-profit and community groups.

- Media sources and local business groups are also trusted.
- Company representatives, like social media or news releases, are the least credible.



APPENDIX





Full Message Text

- **[Next Generation of Trains]** The next generation of trains will be smarter and more connected than ever. While this means safer and more efficient trains, it also presents growing cyber security, privacy, and data protection risks. The integrity of the software operating the trains is based on trustworthiness of the supplier. Countries with a history of questionable cyber tactics cannot be trusted. We should only use suppliers from trusted allies and trading partners.
- **[Experienced Suppliers]** We need suppliers who have real know-how in the U.S. commuter rail sector and a proven track record of success in delivering high-quality products that are reliable and safe.
- **[Lifetime Cost of Ownership]** With tight budgets and taxpayer dollars at stake, it is imperative that we are not shortsighted with infrastructure investments. We must consider the total lifetime cost of ownership, as these are long-term investments that will impact transit systems for 30 to 40 years. The decision is about so much more than the initial cost - it's the entire lifecycle of the investment.



Full Message Text

- **[Committed Partnership]** It's important for suppliers to have a committed partnership with the United States in terms of manufacturing facilities, creating U.S. Jobs, and the supply chain.
- **[Global Dynamics]** Global economic, business, and geopolitical dynamics are evolving rapidly. The threat of tariffs and trade wars could potentially impact the ability of some suppliers to deliver on their promises now and in the future. The United States needs to consider how this will impact their supplier partnerships over the long-term and determine who can be trusted to deliver on time and on budget.
- **[Undercutting Prices]** We should be wary of state-owned suppliers who are significantly undercutting on price to dominate the market.