



## **Rail Security Alliance: NY State Rep Cusick Introduces a Bill to Protect Subway Riders from Threat of China Cyberhacking**

(Albany, N.Y.) – Today, New York [Rep. Michael Cusick](#) (D-63) introduced a bill in the New York State Assembly that would protect the New York Metropolitan Transportation Authority from state-owned enterprises that aim to gain a strategic foothold in New York’s mass transportation systems.

Assembly Bill 8385 prohibits contracts of \$1 million or more to state-owned enterprises for the “*construction, operation, or improvements and repairs on any mass transportation project, including railcar production*” by entities that are funded by foreign state-owned enterprises. This includes the state-owned China Railway Rolling Stock Corporation (CRRC), which is subsidized by the Chinese Communist Party and has recently won major contracts to supply passenger railcars in Boston, Philadelphia, Chicago and Los Angeles valued at a total of \$2.7 billion. In a now-deleted public statement, CRRC announced that it had secured 83 percent of the world’s passenger rail manufacturing capabilities and was working to “conquer” the remaining 17 percent.

Erik Olson, vice president of the Rail Security Alliance, said: “Rep. Cusick’s bill comes at an important time. The list of cyber experts and government officials who are working to protect America’s transportation systems and critical infrastructure from bad foreign actors is impressive. Their support speaks volumes. No American city, including New York, should put their security in the hands of a state-owned enterprise like CRRC.”

U.S.-based passenger railcar production by Chinese SOEs differs from that of legacy U.S.-based producers in key ways. An [Oxford Economics](#) study confirms: For every job a Chinese government-owned rail company creates in the United States, between 3.5 and 5.4 U.S. jobs are lost.

According to the report: Chinese SOEs are thought to do less value-add production in the U.S. and rely more on imported railcar parts and subsystems. In turn, they bring temporary assembly jobs to the U.S. and keep manufacturing, technology and R&D in China. Under a worst-case scenario, the result will be a net loss of more than 5,000 U.S. jobs for every \$1 billion in contracts won by Chinese SOEs.

Rep. Cusick’s legislation follows other bipartisan, federal action on this issue — including the introduction of the *Transit Infrastructure Vehicle Security Act (TIVSA)* in

the Senate, and a companion bill in the House that recently passed through the House of Representatives Committee on Armed Services.

Like the bill Rep. Cusick has introduced at the state level, TIVSA would protect the U.S. against Chinese state-owned-enterprises whose stated intent is to take over American railcar manufacturing and its associated supply chains, as well as prevent federal taxpayer dollars from supporting SOEs.

In May, Sen. Chuck Schumer (D-NY) called for a top-to-bottom federal review of MTA's work with CRRC. He said: "Given what we know about how cyberwarfare works, and recent attacks that have hit transportation and infrastructure hubs across the country, the Department of Commerce must give the green light and thoroughly check any proposals or work China's CRRC does on behalf of the New York subway system, including our signals, Wi-Fi and more."

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Contact:

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Jeff Eller and Suzanne Geiger  
[media@railsecurity.org](mailto:media@railsecurity.org)  
Office: (202) 318-0456

*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.*