



## **Report Confirms China Railway Rolling Stock Corporation (CRRC) Directly Tied to Communist Chinese Party**

(Washington, D.C.) – A newly released independent report about the Chinese Communist Party (CCP) and its strategic use of government state-owned enterprises in key industries provides further evidence that companies like the China Railway Rolling Stock Corporation (CRRC) are directly linked to the CCP and act as an extension of the Chinese government’s economic and militaristic aims.

The report, *CRRC and Beijing’s Dash for Global Rolling Stock Dominance*, published by the research firm [Radarlock](#), details how CRRC — a military civil-fusion (MCF) company — benefits from hundreds of millions of dollars in subsidies from Beijing; and how these state subsidies position CRRC to submit deliberate, anti-competitive bids “to build an international, information-collecting network” that benefits the Communist State.

According to the research findings, “*CRRC is expanding its global presence — is internationalizing, acquiring foreign technologies, and collecting global data — in concert with not just CCP, but also military actors.*” This includes an active cooperation with Huawei, which connects the physical infrastructure of rail to Huawei’s information technology networks in pursuit of a government-linked “Internet of Things” with Chinese characteristics.

*“These connections are not accidental. CRRC is clear in its mandate that its chief obligation is to the Chinese State. The nature and status of company personnel reveal indelible ties to the CCP,”* the report states, chiefly that numerous CRRC executives also hold top positions as Communist Party leaders.

### Key findings:

- CRRC is Beijing’s “national champion” in rail transit and changing transportation systems and operates to fulfill the dictates of Made in China 2025 and other Chinese military-civil fusion strategies.
- CRRC is a top CCP priority. As one of China’s most heavily subsidized companies, it receives far more Party backing than the hundreds of millions that the company’s English-language annual reports suggest.
- CRRC partners with other MCF-connected entities whom the United States has already identified as national security threats, working with them to build and export technologies that threaten individual and data security.
- Using data collection and technology, CRRC contributes to Beijing’s military and MCF projects — as described in CRRC’s Chinese-language company reports.
- CRRC partners with companies that the U.S. has identified as acting contrary to the national security or foreign policy interests of the United States. This includes employing Huawei, which is on the banned entities list, and BeiDou, a Chinese satellite navigation system, which build sensitive information technology networks and systems.

- CRRC has set up an investment fund dedicated to MCF; the company operates in MCF industry zones; shares technology, resources, and data with military- and MCF-affiliates, and assigns the MCF label to high-profile projects and centers.
- CRRC operates in line with China’s notorious and widely reported use of data collection and tracking.

This report comes as lawmakers on Capitol Hill consider passing legislation that would prohibit foreign state-owned enterprises such as CRRC from benefitting from U.S. federal funding for its railcar contracts. Since CRRC began winning U.S. railcar manufacturing contracts in 2014, the CCP-backed company has won \$2.7 billion from transit agencies in Philadelphia, Los Angeles, Chicago, and Boston. CRRC has also bid on the Washington DC Metro Authority railcar contract.

The legislation, introduced in the Senate by Senator John Cornyn (R-TX) and in the House by Rep. Harley Rouda (D-CA), was added to the annual National Defense Authorization Act.

In September, the U.S. Office of Management and Budget said in a [letter](#), “*It is critical that such prohibitions cover procurement of all rolling stock transit vehicles to ensure the Nation’s economic and national security and to prevent the use of Federal dollars to support foreign state-controlled enterprises.*”

Erik Olson, VP of the Rail Security Alliance, said, “*As much as China would like Americans to believe that CRRC’s assembly plants in Boston and Chicago are independent from Communist China, the facts tell a different story. CRRC’s strategic entry into the U.S. market benefits Beijing and risks American economic and national security. It’s common sense. Foreign actors like CRRC should not be propped up by U.S. taxpayer dollars.*”

Read the full Radarlock [report](#).

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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.*