



METRA SHOULD NOT BUY CHINESE RAIL CARS CRRC Does Not Create Jobs

(Washington, DC) – METRA should not use emergency CARES Act funding to buy new passenger rail cars from the China Railway Rolling Stock Corporation (CRRC). Not only does CRRC not create jobs, this emergency funding to support transit agencies during the COVID-19 pandemic should stay in the U.S. and not be sent overseas.

The “Illinois’ railway supply industry supports more than 41,000 genuine manufacturing jobs. Those jobs will be threatened if CRRC secures the Metra contract. CRRC is notorious for manufacturing railcars and components in China and shipping them to the U.S. for final assembly. [A study by Oxford Economics underscores this point: for every assembly job CRRC may create, 3.5 to 5.4 manufacturing jobs will be lost.](#) “Those are jobs that Illinoisans can’t do without,” said Erik Olson, Vice President of the Rail Security Alliance (RSA). CARES Act funds should be used for job creation, not job destruction.”

CRRC is a Chinese state-owned enterprise that has stated it is attempting to conquer the global industry and has set its target on the U.S. rail market. In the last few years, CRRC has won \$2.6 billion in transit contracts by underbid competitors by 20-50%. CRRC is able to do this because they receive funding directly from the Communist Chinese government. Additionally, there are well documented attacks of espionage and national security threats by China against the U.S., and as the [Chicago Sun-Times](#) reported, in late 2019 CRRC was accused of using child labor in its supply chain. This should be a major concern for Illinois because CRRC has a \$1.3 billion contract with CTA and a facility in Chicago.

Currently, companion bills (SB 3068 / HB 4631) in the Illinois Legislature sponsored by Sen. Murphy (D-28) and Rep. Moylan (D-55), respectively, would prohibit Illinois transportation procurement contracts with nonmarket economies like China. Time is important with the inevitable procurement decision – if passed before the end of May or with a supermajority, the legislation won’t take effect January 1, 2021. These bills follow bipartisan federal legislation that passed in the December 2019 National Defense Authorization Act. The law bans federal funds from going to “non-market economies,” like China, but does not take effect for two years. It also penalizes transit agencies that use their own funds for such procurements. Metra should take notice of the concerns posed by Illinois legislators.

This issue is especially relevant right now – Chicago passenger rail systems transport essential workers every day. We need to make sure they are getting there safely with infrastructure we can trust. We should not be allowing the Chinese government to build our critical infrastructure, and especially now, should not be sending funds gained from the CARES Act back to the Chinese government.

The next Metra board meeting is scheduled for May 20.



-30-30-30-

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 May 13, 2020

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