



RSA: CRRC Threatens U.S. National and Economic Security

The Chinese state-owned enterprise has been identified as violating human rights and is on the Department of Defense list of 20 Chinese companies controlled by China's People's Liberation Army.

(Washington) – In testimony submitted for a [hearing](#) of the House of Representatives Ways and Means Subcommittee on Trade, “Enforcing the Ban on Imports Produced By Forced Labor in Xinjiang,” [Rail Security Alliance](#) Vice President Erik Olson called for increased scrutiny by legislators on Chinese state-owned enterprises such as CRRC, a rail car manufacturer that has repeatedly been called out for human rights and labor violations and has been identified as a threat to U.S. economic and national security.

“As a state-owned enterprise, CRRC has access to unlimited state funding that allows them to win transit contracts around the world by underbidding competitors,” Olson said. This has included its “aggressive and alarming incursions into the U.S. rail market using state-backed financing, below-market pricing, and other anti-competitive tactics. Alarming, CRRC was recently named one of 20 companies by the Department of Defense that it says is owned or controlled by China’s People’s Liberation Army.”

Among CRRC’s labor violations:

- In a March 2020 Australian Strategic Policy Institute [report](#), it was estimated that at least 80,000 Uyghur Muslim minorities were transferred out of Xinjiang and sent to work in factories across China between 2017 and 2019, under working conditions that strongly suggest forced labor. These factories are in the supply chains of CRRC.
- In November 2019, [NBC News](#) reported on the thousands of children that are exploited in Madagascar mining for mica, which is a mineral used in manufacturing CRRC railcars. These children—as young as four years old—lack access to clean water, proper health care, education, and suffer from a myriad of medical conditions due to mining mica. NBC interviewed CRRC executives inside its Springfield, MA facility as part of the story. The CRRC executive wasn’t able to answer direct questions regarding the source of parts for the facility he was managing.
- While many of the transit agencies have pressed CRRC on its labor practices, specifically the use of child labor in producing its railcars, none of the contracts won by CRRC in the United States have been altered or canceled in response.

In written testimony, Olson stressed to the committee the strategic importance of the U.S. passenger and freight rail system and the threats posed the Chinese government-backed CRRC. He also highlighted the work that Representatives Bradley Scott Schneider and Darin LaHood have done to introduce legislation, [H.R. 8082](#), that would help protect North America’s freight railcar fleet from China-backed threats.

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He said, “This legislation is an important step to ensure the long-term viability of the industry, but it isn’t enough. Given the credible accounts that CRRC is using forced and child labor to manufacture passenger railcars and that those railcars are now being used in major U.S. cities we call on Congress and specifically members of Subcommittee on Trade to ensure products manufactured with forced and child labor not be allowed to be imported into the U.S. Section 307 of the Tariff Act of 1930 specifically prohibits these types of imports and should be applied to CRRC railcars and parts that are currently entering the U.S.”

Speaking on behalf of RSA, Olson asked members of the subcommittee to urge Customs and Border Patrol to open an investigation into these imports and take proper action if what the attached report and NBC have found to be true.

Olson’s prepared testimony is included.

For Release
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