



## **RSA: Safeguarding the U.S. Freight Rail Industry a Vital Part of S. 2016**

*The Senate's 2021 surface transportation authorization bill includes key provisions to ensure U.S. freight rail security, including the SAFE TRAINS Act, introduced by Senators John Cornyn and Tammy Baldwin*

(Washington, D.C.) — Following the passage out of the Senate Committee on Commerce, Science, and Transportation of Senate Bill 2016, a bipartisan surface transportation bill that would authorize \$78 billion over five years, the Rail Security Alliance thanked Congressional leaders for prioritizing the security of the United States freight rail industry in the legislation.

The surface transportation bill was introduced by U.S. Sens. Maria Cantwell (D-WA) and Roger Wicker (R-MS), with Sens. Tammy Baldwin (D-WI) and Jerry Moran (R-KS) sponsoring an amendment to the bill, the Stopping America's Foreign Enemies Through Rail and Infrastructure National Security (SAFE TRAINS) Act.

Today, the Senate Commerce Committee passed the bill in a vote of 25-3, keeping the SAFE TRAINS Act in the bill through markup.

Erik Olson, vice president of the Rail Security Alliance, said, *"The leadership of Sens. Cantwell and Wicker and Sens. Baldwin and Moran advances the work that has already been done to ensure that the North American freight rail industry and our critical rail infrastructure is free from foreign threat."*

The SAFE TRAINS Act includes key provisions that protect the national and economic security of the U.S. by ensuring freight railcars are manufactured and built in North America, not by state-owned enterprises (SOE), as has happened in the domestic passenger rail market. The SAFE TRAINS Act mirrors legislative language included in the INVEST in America Act that was passed out of the House Transportation & Infrastructure Committee last week.

Chinese state-owned enterprises, including CRRC, are at the forefront of the China military-civil fusion strategy and have been identified on a Department of Defense list of companies backed and supported by the Chinese military. It has also been reported that the state-backed company uses forced child and Uighur labor in its supply chains.

CRRC has made inroads in the domestic passenger rail market by underbidding on railcar manufacturing contracts for transit agencies from Los Angeles to Boston, reaping \$2.6 billion in contracts, with the majority of funding coming from taxpayer dollars. The SAFE TRAINS Act prevents this kind of attack in the U.S. freight rail market.

Congressional leaders on both sides of the aisle and U.S. defense experts have spoken out about the risks of doing business with Chinese state-owned enterprises.

*"In a few short years, Chinese state-owned enterprises like CRRC have demonstrated their intent to take over U.S. manufacturing and supply in key industries through non-market, anti-competitive practices and mercantilist policies backed by the Chinese Communist Party. It's*

*been shown time and time again that our freight rail industry is at a great risk from these foreign threats. The SAFE TRAINS Act, included as part of the surface transportation bill, goes a long way to ensuring rail security in the U.S.," Olson added.*

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### **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.

RSA is a coalition of North American railcar manufacturers, rail component suppliers, unions, and steel interests that are committed to ensuring the economic and national security of the North American passenger and freight rail systems, representing an industry that creates 65,000 family-wage jobs and contributes \$6.5 billion annually to the U.S. GDP. RSA was formed in response to the merging of China's two largest state-owned rail manufacturers into one massive state-owned conglomerate—China Railway Rolling Stock Corporation (CRRC)—in 2015, which is the same year that China announced its military-civil fusion strategy known as Made in China 2025.