



Full Implementation of TIVSA “Significant Victory” For American Manufacturing

*RSA applauds the end of the two-year implementation delay of the
Transportation Infrastructure Vehicle Security Act in letter
to Members of Congress*

(Washington, D.C.) — The Rail Security Alliance (RSA) applauded the end of the two-year implementation delay of the Transportation Infrastructure Vehicle Security Act (TIVSA), which was signed into law as part of the FY2020 National Defense Authorization Act.

As noted in a letter to Committee on Banking, Housing, and Urban Affairs Chairman Sherrod Brown; Ranking Member Pat Toomey; Committee on Transportation and Infrastructure Chairman Peter DeFazio; and Ranking Member Sam Graves, TIVSA bans federal taxpayer dollars from being used to purchase rolling stock — rail cars or buses — from foreign state-owned or controlled companies. On Dec. 20, 2021, the two-year implementation delay of the law came to an end.

RSA Executive Director Erik Olson wrote:

“Full implementation of TIVSA is a significant victory for American railcar manufacturers, component suppliers, and their workers. The law’s passage, along with its full implementation, sends a clear message to CRRC Corporation Limited (CRRC), a Chinese state-owned enterprise, that the U.S. transit rail sector will not be compromised. CRRC consistently uses statebacked financing, direct government subsidization, below-market pricing and other anticompetitive tactics in attempts to decimate domestic and North American railcar manufacturing.”

Had TIVSA not been signed into law, U.S. rail manufacturers and suppliers would continue to lose out on thousands of family-wage jobs to China, according to research from [Oxford Economics](#).

RSA thanked the Senators and Representatives who introduced the Transportation Infrastructure Vehicle Security Act in 2019; these include: Senators John Cornyn (R-TX); Tammy Baldwin (D-WI); Mike Crapo (R-ID); Senate Banking, Housing, and Urban Affairs Committee Chairman Sherrod Brown (D-OH), and the additional 48 bipartisan cosponsors in the Senate.

RSA also thanked Representatives Rick Crawford (R-AR-01), Scott Perry (R-PA-10), Kay Granger (R-TX-12), Tim Ryan (D-OH-13), Eleanor Holmes Norton (D-DC), Randy Weber (R-TX-14), and John Garamendi (D-CA-03), who introduced a companion bill in the House of Representatives.

See the full letter [here](#).

Background:

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.

Prior to the enactment of TIVSA, CRRC made quick 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.

More recently, the Infrastructure Investment and Jobs Act (IIJA) also included a provision that safeguards domestic freight rail manufacturing from foreign threat. Introduced as the “Stopping America’s Foreign Enemies Through Rail and Infrastructure National Security (SAFE TRAINS) Act of 2021,” IIJA’s Section 22425 prohibits foreign state-owned enterprises like CRRC from providing freight rail rolling stock for the United States interchange rail system.

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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.