



June 14, 2023

The Honorable Sam Graves
Committee on Transportation
and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Rick Larsen
Committee on Transportation
and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Graves and Ranking Member Larsen:

I am writing to you on behalf of the Rail Security Alliance (RSA). RSA is in strong support of *the Airport Infrastructure Vehicle Security Act*, up for consideration as Section 423 of H.R. 3935, *the Securing Growth and Robust Leadership in American Aviation Act*.

RSA represents the North American freight and transit railcar industry's manufacturing segment. Over the past 7 years, RSA has worked with congressional leaders as well as current and past administrations to stand in the way of CRRC Corporation Limited (CRRC), a Chinese state-owned enterprise (SOE). CRRC is dedicated to destroying American railcar manufacturing. This state-owned and directed company has made aggressive and alarming inroads into the United States rail sector. They use state-backed financing, below-market pricing, and other anti-competitive tactics in attempts to decimate domestic railcar manufacturing with the single end goal of producing all railcars in the PRC. Further underscoring the threat from CRRC, in 2020¹ and again in 2023², the Department of Defense included the firm in a list of major state-owned companies it says are effectively controlled by the Chinese military. Also in 2020, the Department of Treasury included CRRC in its Chinese Military-Industrial Complex Companies Sanctions List.³

H.R. 3935, introduced by Representatives Eric Swalwell (D-CA), John Garamendi (D-CA), and Angie Craig (D-MN), would ensure the continued strength of America's transit industry. It closes a loophole that allows CRRC, and other Chinese state-controlled companies, to continue to win rolling stock contracts at airports funded by American taxpayers.

The Transportation Infrastructure Vehicle Security Act (TIVSA), which was signed into law as part of the FY2020 National Defense Authorization Act, bans Federal Transit Administration (FTA) funds from being used to purchase rolling stock — rail cars or buses — from foreign state-owned or controlled companies. However, Chinese companies are still allowed to contract with agencies outside of FTA's jurisdiction. *The Airport Infrastructure Vehicle Security Act* closes this loophole by prohibiting federal funds from being used by the Federal Aviation Administration (FAA) to purchase rail cars or buses manufactured by Chinese companies, including airport shuttles and monorails.

¹ U.S. Deputy Secretary of Defense David L. Norquist. [Letter to Senator Tom Cotton](#). June 24, 2020.

² [DOD Releases List of People's Republic of China \(PRC\) Military Companies in Accordance With Section 1260H of the National Defense Authorization Act for Fiscal Year 2021](#), Oct. 5, 2022

³ [Executive Order 13959 of November 12, 2020](#)



Before TIVSA's passage, CRRC won more than \$2.6 billion worth of contracts to assemble passenger railcars in four of America's largest cities (Boston, Chicago, Los Angeles, and Philadelphia). These contracts raised both national and economic security concerns — and in turn cost the U.S. thousands of good-paying manufacturing jobs.

RSA supports this legislation. It would protect American jobs and ensure U.S. taxpayer dollars are not directly subsidizing companies controlled by the Chinese Communist Party. We thank the committee for supporting this commonsense legislation and urge the House to take the legislation up on the floor as swiftly as possible.

Sincerely,

Erik Olson
Executive Director
Rail Security Alliance