



CRRC Lands on Defense Department Entity List for Third Year, Flagged Under 2024 NDAA

*The combined designations underscore calls for sanctions
against the Chinese state-owned enterprise*

WASHINGTON, D.C. (Feb. 13, 2024) — For the third year, CRRC is on the U.S. Defense Department’s (DOD) [updated entity list](#), which officially designates CRRC as an extension of Communist China’s military.

The Chinese state-owned enterprise has also been flagged under Section 805 of the FY 2024 National Defense Authorization Act (NDAA), which prohibits the DOD from purchasing goods or services produced by Chinese military companies identified on the Section 1260H List and entities they control.

“CRRC’s inclusion on the entity list for a third year — and the NDAA prohibition — further demonstrate the threat this state-owned enterprise poses to the U.S. Working with companies that are controlled by the Chinese military is a mistake,” RSA Executive Director Erik Olson said.

Along with other bad actors in the technological and critical infrastructure space, rolling stock manufacturer CRRC, a subsidiary of CRRC Corporation Limited, is an extension of China’s civil-military fusion strategy. This strategy seeks control and global dominance in transportation and manufacturing, as well as health, agriculture, information technology, finance, infrastructure, and data.

The [Rail Security Alliance](#) echoed bipartisan elected leaders in a call to ensure the nation’s supply chains, and defense industrial base are free of foreign adversaries.

“Any Chinese military company with operations affecting U.S. supply chains, defense, and critical infrastructure warrants sanctions. This is true whether it’s drones, cameras, or chips. And given the highly sensitive technologies on today’s freight and passenger railcars, this is doubly true of CRRC,” Olson said.

The entity list, first published in 1997, is an export control blacklist designed to protect the U.S. from foreign entities that threaten U.S. national and economic security. The list identifies companies that work in service to China’s defense industrial base. Inclusion on the list allows the President to invoke the International Emergency Economic Powers Act (IEEPA).

CRRC has long been the subject of scrutiny on Capitol Hill. The state-owned enterprise has been called out in numerous congressional and senate hearings about the China threat. In 2022, Rep.



Mike Gallagher, now the chairman of the House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party (CCP), and Rep. John Garamendi, wrote to U.S. Treasury Sec. Janet Yellen about the SOE:

“By its own estimate, CRRC currently controls more than 83 percent of the global rail market,” which it has gained through “state-backed financing, below-market pricing, and other anti-competitive tactics.”

Trade groups representing tens of thousands of American manufacturers and suppliers have also raised concerns about CRRC and its impact on U.S. national and economic security.

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