



RSA to European Commission President: Same Issues Exist in CRRC Lisbon Rail Tender as with Bulgarian

In a letter, RSA Executive Director Erik Olson called on President Ursula von der Leyen to utilize foreign subsidies tool against China’s continued anticompetitive reach into the European rolling stock market

WASHINGTON, D.C. (May 7, 2024) — In a letter to the European Commission, the body which oversees public procurements under the EU’s Foreign Subsidies Regulation (FSR), [Rail Security Alliance](#) Executive Director Erik Olson outlined CRRC’s anticompetitive tactics in the U.S., which have led to a loss of domestic rail manufacturing and supply jobs and an increase in safety and national security concerns.

Olson urged President Ursula von der Leyen to again employ the power of the FSR with regard to CRRC’s latest rail procurement bid — this time for the Lisbon Metro, Metropolitano de Lisboa.

Given its effectiveness in preventing China’s CRRC from harming European rolling stock manufacturers in an anti-competitive Bulgarian rail tender earlier this year, Olson noted in the letter:

“On November 30, 2023, Lisbon Metro opened a public tender for the acquisition of 24 metro trains with an option for 12 additional vehicles with an execution period of 54 months. With a contract budget worth €138 million, Lisbon Metro received two bids, one from CRRC Tangshan for €115 million, and one from Stadler Rail Valencia (Stadler) for €134 million . CRRC Tangshan’s bid was a significant 14.2% lower than that of Stadler’s. Given CRRC’s history, we believe it appropriate for the European Commission, under the Foreign Subsidies Regulation, to investigate any receipt of an improper foreign subsidy by CRRC Tangshan, which would have allowed them to submit such a low bid to Metro Lisbon.”

A 2023 report by the Organization for Economic Co-operation and Development (OECD), which analyzed subsidies and distortions in the rolling stock international markets, found that CRRC obtained as much as 72 percent of all global government absolute support, including government grants, tax concessions and below-market borrowings identified by the study, making it one of the most heavily subsidized Chinese military companies.

Considering CRRC’s global ambitions to decimate any market it enters, including Australia and Canada, and because of the effectiveness of the European Commission’s investigative tool, Olson noted in conclusion:

“RSA commends previous efforts of the European Commission under the Foreign Subsidies Regulation to investigate CRRC Sifang. We hope the Commission will build upon their



previously successful FSR action and . . . investigate any receipt of an improper foreign subsidy by CRRC Tangshan which would have allowed them to submit such a low bid to Metro Lisbon.”

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About the Rail Security Alliance

The [Rail Security Alliance](#) supports and encourages the adoption and enactment of U.S. policies, procedures and laws that promote the security of the railroads and the railroad system of the United States of America. RSA represents 65,000 domestic and North American freight railcar manufacturers and suppliers and an industry that contributes \$6.5 billion annually to the U.S. GDP.