RAIL SECURITY ALLIANCE

Nov. 5, 2025

Ursula von der Leyen
President
European Commission
Brussels, Belgium

Dear President von der Leyen,

Following today's announcement by the European Union Commission, we express our gratitude for your continued attention to CRRC as it seeks to decimate global competitors in railcar manufacturing.

RSA represents the manufacturing segment of the rail industry in North America for freight railcars and the supply of railcar components.

Seeing the writing on the wall with CRRC's first passenger railcar contract in Boston, and its move to decimate the Australian freight railcar manufacturing industry in a few short years, our work has focused on building support for initiatives such as the Transit Infrastructure Vehicle Security Act (TIVSA) and the SAFE TRAINS Act to help secure U.S. rail manufacturing from the threat CRRC poses.

CRRC's bid to supply light rail trains for Metropolitano de Lisboa deserves your scrutiny. The Commission's earlier investigation under the Foreign Subsidies Regulation clearly demonstrated this: when probed, CRRC withdrew its extremely low bid for a Bulgarian train contract. This pattern reveals that CRRC's heavy reliance on state subsidies creates market distortions that cannot withstand investigation.

CRRC relies on heavy state subsidies, powered under China's Made in 2025 initiative. This includes both indirect and direct subsidies, including $2.16 billion in explicit subsidies from 2014 to 2024. Additionally, the OECD reports that Chinese firms saw the largest increase in their subsidy to-revenue ratio from 2020-2023, marking an increase that's four to five times larger on average than what other firms based in the OECD received.

By all reports, CRRC railcar contracts come in, on average, 22 percent lower than its next market competitor bid but it has submitted bids as much as 50% lower than "Buy-America" compliant companies with large manufacturing facilities in the United States.

According to CRRC, its products are now offered in more than 104 countries, and it has 83% of the world's rail and rolling stock market. In the United States, CRRC has secured more than $2.6 billion in U.S. taxpayer-supported transit contracts to provide passenger railcars for the cities of

Boston, Chicago, Philadelphia, and Los Angeles. CRRC has also made a move to dominate markets in Canada and Mexico.

Further underscoring the threat from CRRC, the United States Department of Defense and the Treasury Department have included the firm in a list of major state-owned companies they say are effectively controlled by the Chinese military.

Just as CRRC has utilized various strategies, including state subsidies, below-market borrowing, and predatory pricing, to become the global railcar builder aiming to seize the vast majority of global market share, countries that operate by market rules must come together to hold CRRC accountable.

For this reason, we thank you and the entire Commission for your efforts.

Sincerely,

Erik Olson

Erik Olson
Executive Director
Rail Security Alliance