



RSA Cautions SEPTA: Don't Let CRRC Back on the Tracks

As SEPTA reviews bids for a \$2 billion Regional Rail fleet, the Rail Security Alliance urges the authority to shut the door on the Chinese state-owned manufacturer — and on any affiliate, subcontractor or local “front” tied to it — after CRRC’s failed contract left Philadelphia riders with zero cars and a \$50 million loss

(Washington, D.C.) – Today, the [Rail Security Alliance](#) (RSA) called on the Southeastern Pennsylvania Transportation Authority (SEPTA) to ensure that China Railway Rolling Stock Corporation (CRRC) and its affiliates play no role — as prime contractor, subcontractor, or component supplier — in the authority’s upcoming procurement of up to 234 new Silverliner VI Regional Rail cars. SEPTA is [currently reviewing bids](#) from manufacturers for the fleet, which the authority estimates will cost \$2 billion.

“SEPTA has already paid for this lesson once. CRRC underbid the competition, missed deadline after deadline, failed basic safety tests, had a U.S. DOT Inspector General initiated audit, and, after seven years, delivered not a single railcar to Philadelphia,” said Erik Olson, executive director of the Rail Security Alliance. *“SEPTA riders and taxpayers can’t afford a sequel. As the authority weighs bids for its next fleet, it must make certain that CRRC doesn’t come back through the side door under a different name or buried in a subcontract.”*

In April 2024, SEPTA [terminated its contract](#) with CRRC MA “for cause” after the company failed to deliver any of the 45 multi-level coaches ordered in 2017. SEPTA [cited](#) substandard workmanship, repeated missed production deadlines, failed watertightness and brake tests, defective interior panels, wiring problems, and unsafe emergency exit windows. SEPTA had [already paid roughly \\$50 million](#) on the contract without receiving a single completed car.

“CRRC’s playbook is the same everywhere it goes: bid below cost with Beijing’s money, dress up as a local manufacturer, and leave the customer holding the bag,” Olson said. *“Europe has now documented exactly how that works. SEPTA should take that evidence seriously before it signs another contract.”*

What the record shows:

- **CRRC won SEPTA’s business by underbidding.** CRRC MA’s [2017 bid](#) of roughly \$138 million came in far below Bombardier (\$172 million) and Hyundai Rotem (\$184 million). A Hyundai Rotem spokesperson [said at the time](#), “I cannot grasp how they are able to do it at that cost.”
- **The cars appeared to be built in China.** In 2022, the *Philadelphia Inquirer* [published photos](#) of nearly completed SEPTA railcars, including seats and SEPTA livery, in China — prompting House Transportation and Infrastructure Committee members to [ask](#) the U.S. Department of Transportation Inspector General to review the contract’s compliance with Buy America requirements. The Inspector General’s [subsequent audit](#) found that the Federal Transit Administration’s oversight of SEPTA’s Buy America compliance “faced several challenges.”
- **CRRC is formally designated a Chinese military company.** In February 2026, the U.S. Department of War kept CRRC on its [Section 1260H list of Chinese military companies](#), which bars the department from contracting with listed entities or their affiliates.
- **Europe found CRRC’s state subsidies distort rail tenders.** In April 2026, the European Commission [concluded](#) that foreign subsidies to CRRC distorted the Lisbon Metro railcar tender and enabled an “unduly advantageous” bid, clearing the contract only after CRRC was [replaced](#) by Polish manufacturer

Pesa. The Commission's [final report](#) found CRRC's parent group received approximately EUR 1 billion in direct government grants and at least EUR 2 billion in tax reductions in the three years before the tender, and that CRRC's Portuguese subsidiary functioned as a local front for railcars that would be built and shipped from China. In 2024, CRRC [withdrew a Bulgarian bid](#) rather than face a similar investigation.

- **Federal law already restricts CRRC in U.S. transit.** The Transit Infrastructure Vehicle Security Act, [Section 7613](#) of the Fiscal Year 2020 National Defense Authorization Act, prohibits Federal Transit Administration funding for rolling stock from any manufacturer owned or controlled by, a subsidiary of, or otherwise related legally or financially to a corporation based in a covered country such as China. SEPTA's Silverliner VI program is being supported with [Federal Transit Administration funding](#).

RSA urges SEPTA to:

- Require every bidder to fully disclose the ownership of its company, its subcontractors and its major component suppliers, and to certify compliance with the Transit Infrastructure Vehicle Security Act.
- Exclude any entity on the Department of War's Section 1260H list, and any affiliate of such an entity, from all tiers of the Silverliner VI contract.
- Conduct independent [pre-award and post-delivery Buy America audits](#), including on-site verification of where carbody shells and major components are manufactured.
- Continue to pursue full recovery of the funds paid to CRRC MA under the terminated contract.

"The Silverliner VI fleet will carry Philadelphia-area commuters for decades," Olson said. "This is SEPTA's chance to get it right: a transparent, fair competition among manufacturers that build here, employ Americans and actually deliver."

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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.