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Docket Management System
U.S. Department of Transportation
West Building, Ground Floor, Room W12-140
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1200 New Jersey Ave., S.E.
Washington, D.C. 20590
Submitted via www.regulations.gov

RE: Federal Railroad Administration's Notice of Proposed Rulemaking "Freight Car Safety Standards Implementing the Infrastructure Investment and Jobs Act," Docket No. FRA-2023-0021

To whom it may concern:

The Alliance for American Manufacturing (AAM) appreciates the opportunity to comment on the Federal Railroad Administration's (FRA) notice of proposed rulemaking ("NPRM") to amend the Freight Car Safety Standards ("FCSS") to implement Section 22425 of the Infrastructure Investment and Jobs Act (IIJA) Docket No. FRA-2023-0021, which was published in the federal register on December 8, 2023.¹

AAM is a non-profit, non-partisan partnership formed in 2007 by some of America's leading manufacturers and the United Steelworkers. Our mission is to strengthen American manufacturing and create new private-sector jobs through smart public policies. We believe that an innovative and growing manufacturing base is vital to America's economic and national security, as well as to providing good jobs for future generations. AAM achieves its mission through research, public education, advocacy, strategic communications, and coalition building around the issues that matter most to America's manufacturers and workers.

AAM urges robust implementation of the country of concern (COC), state-owned enterprise (SOE), and sensitive technology limitations in Section 22425 of IIJA.² Specifically, the law prohibits any railroad freight car operating on the U.S. general railroad system from having sensitive technology, including components necessary to the functionality of the sensitive technology, that originates from a COC or is sourced from a SOE. The law also limits the content of the railroad freight car, excluding sensitive technology, that originates from a COC or is sourced from a SOE to less than 20 percent one year after the issuance of regulations and 15 percent after three years.

While AAM commends FRA for issuing an NPRM to implement these critical policies, we do express concern for the potential evasion of these limitations and prohibitions through aftermarket application of sensitive technology from a COC or sourced from a SOE. In its NPRM, FRA indicates that it will only

¹ Freight Car Safety Standards Implementing the Infrastructure Investment and Jobs Act, 88 Fed. Reg. 85,561 (December 8, 2023) (proposed rule).

² Codified at 49 U.S.C. § 20171

apply these tools at the time of manufacture. This approach leaves the door open for aftermarket application in a manner that violates the spirit of the law and creates security risks to the U.S. railway system.

Accordingly, AAM urges FRA to prioritize robust implementation of these sensitive technology prohibitions and content limitations due to the security and economic threats posed to U.S. infrastructure by China's state-owned, state-subsidized, and state-supported enterprises. Beijing should not have operational control of or backdoor access to U.S. transportation systems, opening our critical infrastructure to potential attack or access to sensitive data and communications. China is the only country that currently meets the criteria for "country of concern," as defined in the Act.

Backed by deep government support, China Railroad Rolling Stock Corporation (CRRC) has already secured lucrative, U.S. taxpayer-supported contracts to supply major U.S. cities with transit rail cars. CRRC has secured transit railcar contracts in Boston, Philadelphia, Los Angeles, and Chicago with low bids that established competitors were unable to match. CRRC's Boston bid was more than \$200 million below the next lowest bidder and roughly half that of another established firm. In Philadelphia, a competitor was quoted as saying, "I cannot grasp how they are able to do it at that cost."³

In response, Congress enacted the Transportation Infrastructure Vehicle Security Act (TIVSA) in 2019 to restrict China's access to federally assisted transit rolling stock procurements. However, the threat posed by CRRC and other entities remains to other elements of the U.S. infrastructure system, including railroad freight cars operating on the U.S. general railroad system. CRRC's ambitions are sizeable, that is to leverage its existing foothold in our market as a means of expanding into private sectors such as the freight rail market. FRA must use all available tools – including its authorities under 49 U.S.C. § 20171 – to ensure that this does not happen.

Consider the following:

- CRRC (a state-owned railcar manufacturer) appears on a Department of Defense list of "[Communist Chinese military companies](#)" operating directly or indirectly in the United States. According to DOD, China's MCF development strategy "supports the modernization goals of the People's Liberation Army (PLA)."⁴
- On January 11, 2018, CRRC (@CRRC_Global) posted and later deleted a tweet stating, "*Following CRRC's entry to Jamaica, our products are now offered to 104 countries and regions. So far, 83% of all rail products in the world are operated by #CRRC or are CRRC ones. How long will it take for us conquering the remaining 17%?*"

³ "Mass.-based company with Chinese backing beats local group for SEPTA car contract," The Philadelphia Inquirer. 21 March 2017.

⁴ 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. Jan. 31, 2024. Link: <https://www.defense.gov/News/Releases/Release/Article/3661985/dod-releases-list-of-peoples-republic-of-china-prc-military-companies-in-accord/>

- According to the 2019 Radarlock report, "[CRRC and Beijing's Dash for Global Rolling Stock Dominance](#)," CRRC is Beijing's national champion in rail and emerging transportation systems and plays a direct role in China's military-civil fusion strategy.⁵ The report makes the following findings:
 - Consistently one of the ten most subsidized companies in China, CRRC's officials and corporate documents cite the military-civil fusion strategy, Made in China 2025, One Belt One Road, and other central plans as their chief mandate.
 - CRRC obtains its technology through "reverse spillovers:" A self-declared "sponge model" of international cooperation, mergers and acquisition, and overseas R&D centers lets it "continuously acquire emerging technologies from host countr[ies]."
 - CRRC also collects data abroad: Beijing sees CRRC products as globally proliferated sensors. The company shares those data – and its technology -- with State and military affiliates through military-civil fusion (MCF) zones, the CCP's "two in one integration platform," CRRC's MCF Investment fund, and technology exchanges.
 - CRRC partners with Huawei – as well as Beidou -- in building technologies and information systems that threaten individual and data security.
 - Executives at CRRC wear dual hats as corporate and as Party leaders: "Most of the managers are directly appointed for political purposes."
 - "CRRC has become a famous firm in China. It not only carries Chinese manufacturing to the international community, but it is also an indispensable strategic piece of the country's One Belt One Road...From the valuation of pricing to the financing of capital to the choice of payment methods, the hands of government support are everywhere."

Thank you for your consideration of these comments.

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⁵ "CRRC and Beijing's Dash for Global Rolling Stock Dominance," Bruyere and Picarsic. Radarlock. October 2019.