

Testimony of U.S. Senator John Cornyn

Committee on Banking, Housing and Urban Affairs

5 March 2020

Thank you Mr. Chairman and Ranking Member Brown – I appreciate you inviting Senator Baldwin and I to share our thoughts with the committee. This issue is important to my home state, our national security, and the integrity of our economy.

China has a long history of undermining market economies across the globe by subsidizing Chinese businesses so they can outcompete domestic industry, because they never have to worry about turning a profit.

Global domination of rolling stock production, like trains and buses, is at the forefront of the “Made in China 2025” initiative, which outlines the Chinese Communist Party’s plans for economic domination across the globe.

This is why I was concerned when I found out certain Chinese state-controlled companies like the China Railway Rolling Stock Corporation (CRRC) and Build Your Dreams (BYD) were submitting unrealistically low bids for transit projects in major U.S. cities in an attempt to put competition out of business and dominate the market on a long-term basis.

Transit rail cars and buses are highly advanced vehicles equipped with a host of computers, sensors, and cameras.

When Americans step onto a subway or city bus, they accept that many of these devices are there to ensure their safety and trust the government won’t abuse their civil rights.

But these advanced technologies can do much more than help you get to work on time. They’re also capable of spying on passengers and our infrastructure network – and they can be undetectably placed on transportation systems across America.

Thousands of government and military officials use transit services every day, especially here in D.C. I’m sure many of the folks in this room relied on those trains and buses to get here today.

The potential for an adversarial state actor to monitor the movements of American citizens, hack personal or government-issued devices, and collect intelligence on our military is a major security concern.

Allowing American trains and buses to become Trojan horses for these technologies on American soil is unacceptable.

And I think we can all agree that Chinese state-controlled companies should not receive a dime of American taxpayer money in their efforts to control our economy and undermine national security.

Fortunately, Congress has taken critical action to address the problem..

Senator Baldwin, Chairman Crapo, and Ranking Member Brown joined us in getting the Transit Infrastructure Vehicle Security Act passed into law as part of the National Defense Authorization Act last year.

This commonsense, bipartisan law sends a strong signal to the Chinese government that we will not allow them to infiltrate the operations of our critical infrastructure.

The legislation will ban the use of federal transit funding for the procurement of rail cars and buses produced by companies that are owned, controlled, or sponsored by foreign governments with non-market economies and that are designated as countries of concern by the U.S. Trade Representative.

Unfortunately, special interests were able to demand a two-year enforcement delay of some of this legislation's critical components.

I am here today to ask for your help in ensuring this delay does not turn into a window the Chinese Communist Party and its state-controlled companies can further exploit by rushing to procure contracts and extending their tentacles further into America's infrastructure network.

Without strong leadership from the Federal Transit Administration, transit agencies will unknowingly allow CRRC and BYD to compete for their projects, even though a Federal ban on such contracts is coming soon. We must do everything we can to stop this.

I look forward to working with Chairman Crapo, Ranking Member Brown, and other members of this Committee to educate government agencies, the public, and our local jurisdictions about China's threat to our infrastructure—and the legal tools Congress has enacted to address this problem.