

February 26, 2019

CRRC MA Corporation
Statement for the RecordHouse Committee on Homeland Security: Subcommittee on Transportation and Maritime Security and
Subcommittee on Cybersecurity, Infrastructure Protection, & Innovation

Hearing on: Securing U.S. Surface Transportation from Cyber Attacks

CRRC MA thanks the Committee on Homeland Security and participating subcommittees for the opportunity to submit these comments for the record regarding the above referenced hearing whereby CRRC was a topic of discussion relating to cybersecurity.

CRRC MA understands that the vulnerability of public transportation infrastructure world-wide calls for advanced cybersecurity measures and safety management. CRRC promotes the security of the U.S. transit system supporting the adoption of more stringent procedures.

CRRC produces successful products and services for 100+ countries and regions around the world. CRRC MA in the United States has developed strong relationships and a robust supply chain with major transportation agencies and primary suppliers of the railway transportation industry globally.

CRRC MA is dedicated to providing customized products that improve efficiency and optimize service for the transit agencies it serves. With transit rail car contracts in Boston, Los Angeles, Chicago, and Philadelphia, CRRC has located various manufacturing facilities triggering job creation and quality of life improvements, further demonstrating the corporation's commitment to economic development.

CRRC MA's positive presence and growth in the United States is being threatened with distorted analysis of CRRC's legitimate success published in media, misleading reports, and most recently exaggerated statements presented at the most recent House Committee on Homeland Security public hearing.

These defamatory allegations lacking substantiating evidence unfairly targets CRRC and is a disservice to the American public as the inaccuracy of the facts escalates unnecessary concern and promotes bias more than it informs readers. It is in the transit industry's best interest to ensure security experts within the passenger rail industry are commenting on this important issue rather than freight rail car industry representatives such as Rail Security Alliance (RSA).

Below are some topics of concern raised at the hearing requiring clarification.

Transit rail car vehicles purchased from China pose no threat to the United States.

- As there are no US owned rail car manufacturers, US transit agencies must procure their public transit vehicles from international manufacturers.
- Similar to other companies in the industry, CRRC MA abides by the same standards and processes and works under the same supervisory review required by transit agencies.
- CRRC MA adheres to the rigorous cybersecurity practices outlined within a cybersecurity analysis based on a U.S. Department of Defense military system safety standard.
- All designs are in strict compliance with the public transit agency's technical requirements, and all the designs are subject to public agencies' review and approval before CRRC can move forward and start the manufacturing process.
- The agency and third-party consultants review the entire process through design, software development, manufacturing of products and small parts testing, safety certification, reliability verification, and other crucial areas.

All rail car builders use similar supply chain for major systems.

- CRRC MA partners with reputable, qualified USA system suppliers on Propulsion/ Traction Control System, Auxiliary Power System, Vehicle Monitoring System, HVAC.
- There is no difference between CRRC's US supply chain and other competing companies'.

The passenger rail car industry is one of the biggest expenses to government and taxpayers. Entering a new market involves strategic expansion.

- CRRC MA focuses on providing a modern efficient vehicle at the most economical price using the best and most qualified suppliers.
- CRRC MA, on various contracts has been determined the preferred qualified bidder with the highest rated scoring among the group of rail car manufacturers.
- CRRC MA's bid on its first U.S. contract was determined to be reasonable, responsible, and balanced.
- CRRC has great cost advantages in product development and production, based on its rich international experience having been in the manufacturing sector since 1881.
- CRRC MA has advantages in localization. Through decades of world-wide experience, CRRC's production model providing for the manufacturing of vehicles in the United States has proven cost efficient and successful.
- CRRC MA pricing is in line with the bidding/awarding pricing of the recent 10 years procurement in the United States.

CRRC MA is committed to transparency and is eager to partner with the transit industry to ensure cybersecurity protocol is standardized and adhered to.

- CRRC MA calls for a transit industry discussion to enhance cybersecurity standards, including management systems.

CRRC MA appreciates the opportunity to submit this statement of clarification and will continue to work collaboratively with partner transit agencies to introduce next generation rail cars to America's transportation network.