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May 15, 2019

VIA EMAIL

The Honorable Peter A. DeFazio
Chairman
Committee on Transportation &
Infrastructure
U.S. House of Representatives
2164 Rayburn House Office Building
Washington, DC 20515

The Honorable Sam Graves
Ranking Member
Committee on Transportation &
Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington DC, 20515

Dear Chairman DeFazio and Ranking Member Graves:

On behalf of the 775,000 active and retired members of the International Brotherhood of Electrical Workers (IBEW), I am writing regarding your committee's May 16, 2019, hearing on "The Impacts of State-Owned Enterprises on Public Transit and Freight Rail Sectors." The IBEW is concerned that Congress may pursue legislation that will deny federal funds and will directly result in the loss of hundreds of jobs for our members who are employed by CRRC Sifang America in Chicago, Illinois and CRRC MA in Springfield, Massachusetts.

Several years ago, the IBEW and the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) began a working relationship with CRRC, a China-based rolling stock manufacturer to build railcars in the United States. I had the opportunity to visit CRRC's work firsthand as a part of an IBEW delegation trip to China. CRRC made a commitment to manufacture transit cars in the United States and hire American workers at competitive salaries and benefits.

This investment has been further shown by the opening of CRRC's facility near the site of the historic Pullman Company factory in Chicago's South Side. In Chicago, part of the negotiated package resulted in historic community benefits agreements that not only targeted local workers but committed the company to hiring military veterans, women, the formerly incarcerated and communities of color. As a result, \$4 million in federal funds were awarded to community colleges, junior colleges and technical training programs, all to build training for the transportation manufacturing sector where none had previously existed.

In recent years, dozens of IBEW members have traveled to China to be trained in CRRC's leading manufacturing practices and bring these skills back to the United States. Today, our partnership manufactures world class railcars for several of our nation's largest public transit systems, including the Chicago Transit Authority (CTA), Los Angeles County Metropolitan Transportation Authority (LA Metro), Massachusetts Bay Transportation Authority (MBTA), and Southeastern Pennsylvania Transportation Authority (SEPTA).

The decline of American manufacturing over the past four decades has been a major blow to the IBEW and its membership. Forty years ago, the IBEW had over 400,000 members in the manufacturing sector, proudly building goods for American consumers and the global market. These manufacturing jobs provided wages and benefits that would





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support a family and sustain communities through the United States. Today, the IBEW only has 30,000 members in manufacturing, a 93 percent decline. When CRRC approached IBEW about a partnership to build railcars in the United States, we saw this as an opportunity to bring manufacturing jobs back to communities in Chicago and Springfield that have suffered from years of deindustrialization.

The IBEW hopes to strengthen its relationship with CRRC moving forward and increase domestic railcar manufacturing made by union labor. However, we are aware of the criticism by CRRC's competitors and the increasing attention of CRRC's growing footprint within the halls of Congress. I want to be clear that the IBEW is sensitive to the cybersecurity concerns raised by some regarding CRRC transit cars and has no issue with Congress passing legislation that would ensure the security of hardware and software components of railcars and other rolling stock. Adoption of the Transit Infrastructure Vehicle Security Act (S. 846) or similar legislation, however, would result in the closure of CRRC's two manufacturing facilities, leading to the loss of 400 family-supporting union jobs at the Chicago and Springfield sites, without any assurance that future railcar manufacturing will be done domestically or through a U.S.-owned company.

The IBEW asks that the House Committee on Transportation and Infrastructure to take a comprehensive view of the current state of domestic manufacturing in the United States and to consider alternatives before adopting legislation like the Transit Infrastructure Vehicle Security Act. Furthermore, before the Committee on Transportation and Infrastructure takes legislative action, we ask committee members to consider two important questions:

First, if Congress takes action to close CRRC's railcar facilities, how will the workers at these factories be made whole?

Second, if legislation is enacted to close the CRRC facilities, what will Congress do to ensure that future railcar manufacturing is done in the United States by American workers earning family-supporting wages and benefits? Otherwise, future transit cars will most likely be made by a different foreign-owned company with no assurance of creating more or higher quality jobs than what CRRC is already providing.

The IBEW looks forward to working with the House Committee on Transportation and Infrastructure on this important matter.

Sincerely yours,

Lonnie R. Stephenson
International President

LRS:lgd
Copy to All Members of the U.S. House Committee on Transportation & Infrastructure