

Congress of the United States
Washington, DC 20515

July 15, 2016

The Honorable Jacob Lew
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Lew,

We the undersigned write today to request that the Committee on Foreign Investment in the United States thoroughly investigate the pending transfer of ownership in the Vertex Railcar Corporation involving the China Railroad Rolling Stock Corporation (CRRC) and Majestic Legend Holdings (“Majestic”).

As you may know, CRRC is a Chinese state-owned enterprise and the largest railcar manufacturer in the world. The company is the product of a 2014 merger between China South Locomotive & Rolling Stock Corporation Limited and China North Locomotive and Rolling Stock Industry Corporation, China’s two previous rolling stock conglomerates. This merger was in part designed to reduce overseas competition between the two entities. Overall, CRRC is four times larger than the entire U.S. rail manufacturing sector.

Majestic is associated with Legend Holdings, the parent company of the computer manufacturer Lenovo. Legend Holdings was founded in 1984 as the Chinese Academy of Sciences Computer Technology Research Institute New Technology Development Company, a state-owned entity.

Given the ownership and history of these companies, the Chinese government is able to utilize the companies to pursue its international trade agenda. This agenda has aggressively asserted Chinese interests into a range of foreign markets such as Australia, Pakistan, the United Kingdom, and others. CRRC in particular is able to access subsidized financing from the Chinese government, which has already enabled the company to underbid private competitors for railcar contracts in Boston and Chicago. In effect, American railcar manufacturers and its associated industries, such as steel, are now competing against the resources of the world’s second largest economy.

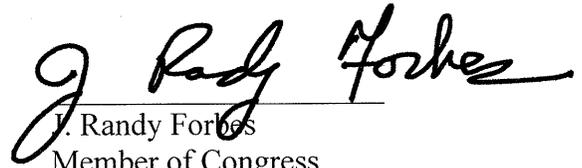
Furthermore, the January 17th statement of John Carlin, Assistant Attorney General for National Security at the Justice Department, that China’s cybercrimes constitute a threat to national security leave us concerned that critical rail infrastructure and the sensitive cargo that it carries will become increasingly vulnerable to hackers as the proliferation of Chinese state investment continues without adequate scrutiny.

We ask you to fully examine all details of the Vertex Railcar Corporation to ensure that the domestic rail industry is able to continue supporting our country's economy and security.

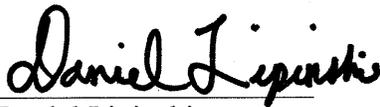
Sincerely,



Peter DeFazio
Member of Congress



J. Randy Forbes
Member of Congress



Daniel Lipinski
Member of Congress



Lynn Jenkins
Member of Congress



Eleanor Holmes Norton
Member of Congress



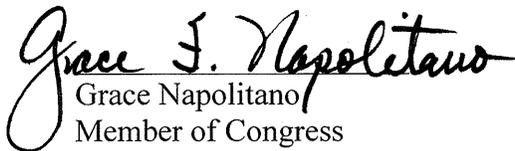
Walter B. Jones
Member of Congress



Corrine Brown
Member of Congress



Scott Rigell
Member of Congress



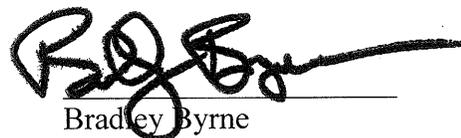
Grace Napolitano
Member of Congress



Dana Rohrabacher
Member of Congress



André Carson
Member of Congress



Bradley Byrne
Member of Congress



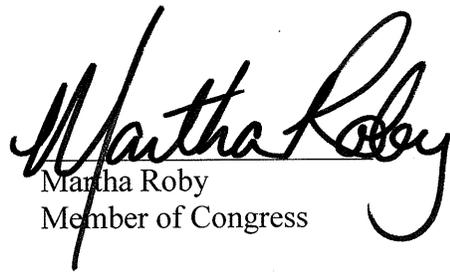
Suzanne Bonamici
Member of Congress



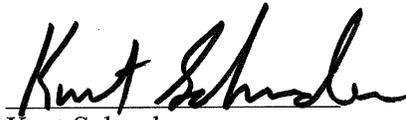
Austin Scott
Member of Congress



Earl Blumenauer
Member of Congress



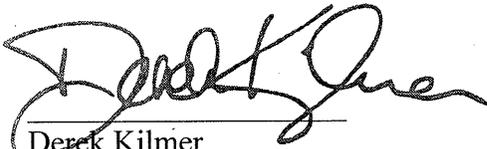
Martha Roby
Member of Congress



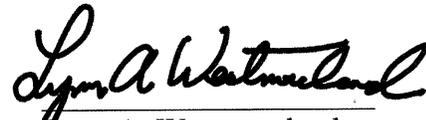
Kurt Schrader
Member of Congress



Tim Murphy
Member of Congress



Derek Kilmer
Member of Congress



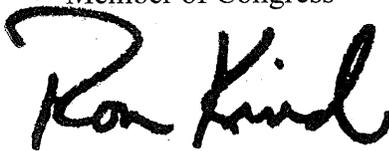
Lynn A. Westmoreland
Member of Congress



Eddie Bernice Johnson
Member of Congress



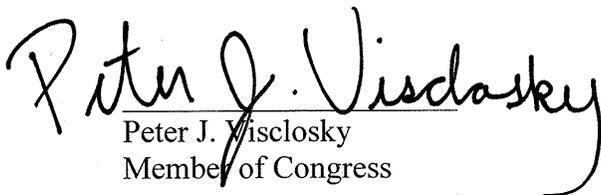
Jaime Herrera Beutler
Member of Congress



Ron Kind
Member of Congress



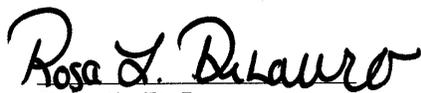
Rick Crawford
Member of Congress



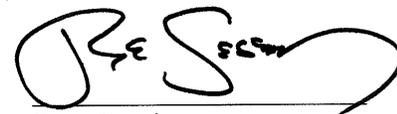
Peter J. Visclosky
Member of Congress



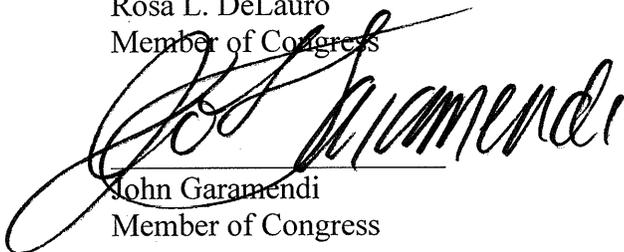
Louie Gohmert
Member of Congress



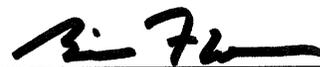
Rosa L. DeLauro
Member of Congress



Pete Sessions
Member of Congress



John Garamendi
Member of Congress



Bill Flores
Member of Congress


Rick Larsen
Member of Congress

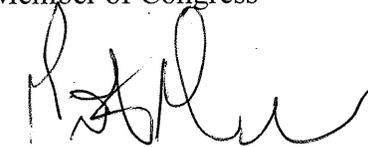


Mike Rogers
Member of Congress

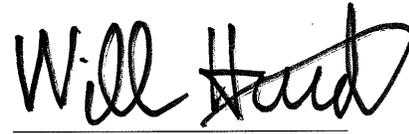

Joyce Beatty
Member of Congress

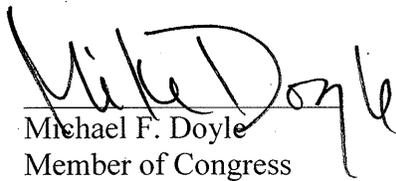

Joe Barton
Member of Congress

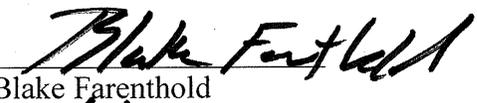

Marcy Kaptur
Member of Congress


Garret Graves
Member of Congress

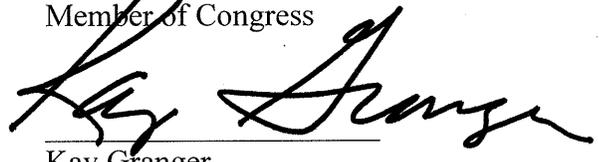

Elizabeth H. Esty
Member of Congress


Will Hurd
Member of Congress


Michael F. Doyle
Member of Congress

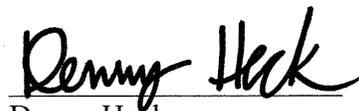

Blake Farenthold
Member of Congress

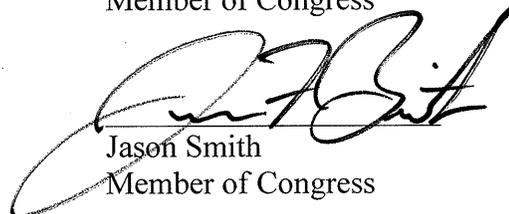

Suzan K. DelBene
Member of Congress


Kay Granger
Member of Congress


Tim Ryan
Member of Congress

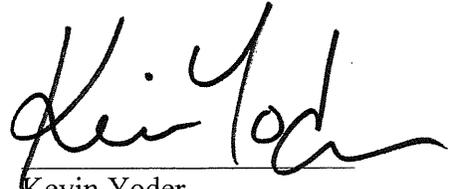

Mike Bost
Member of Congress


Denny Heck
Member of Congress


Jason Smith
Member of Congress



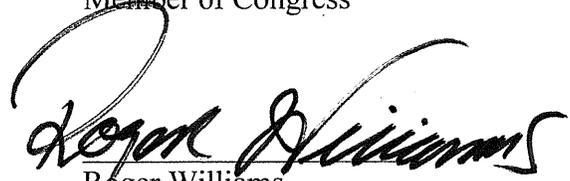
David Loebsock
Member of Congress



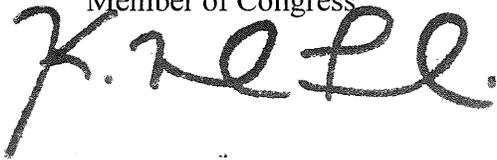
Kevin Yoder
Member of Congress



Richard M. Nolan
Member of Congress



Roger Williams
Member of Congress



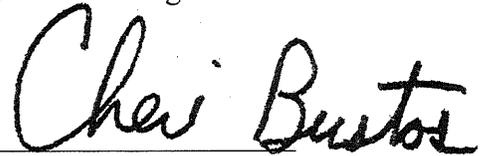
Mark Takai
Member of Congress



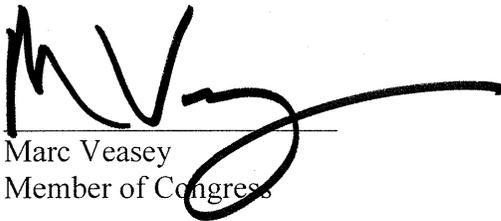
John Abney Culberson
Member of Congress



Tammy Duckworth
Member of Congress



Cheri Bustos
Member of Congress



Marc Veasey
Member of Congress