CRRC plant is getting ready to roll

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As Chinese rail equipment is targeted for additional tariffs by the US as a result of the US trade representative's Section 301 investigation and determination, China Railroad Rolling Stock Corporation (CRRC), the world's largest rail car manufacturer, is showing its concern.  
"As rail equipment has been included into Section 301, we are concerned about whether it will affect the rail equipment (trade), and thus affect a whole market change later," said Jia Bo, vice-president of CRRC MA Corp.  
Jia said the company is dealing with the situation actively, coordinating with relevant US departments.  
As for the US government's decision to levy a 25 percent tariff on imported steel, Jia said the steel products that will be used in CRRC MA's production partly come from the US and partly from China. "The steel tariff has less of an impact on us," he said.  
Jia was speaking at a CRRC MA's supplier diversity and procurement fair on Thursday at its rail car manufacturing complex in East Springfield, Massachusetts.  
The outreach event was hosted by CRRC MA for local minority- and women-owned businesses, which introduced the various companies in its supply chain to the many diverse businesses in the region. Some 35 vendors were invited and about 300 people attended the fair.  
The gathering would be the last social event in the $95 million, 204,000 square-foot factory before production begins.  
Production is planned to kick off on April 16 with the building of new rail cars for the Orange Line of the Massachusetts Bay Transportation Authority (MBTA).  
In 2014, CRRC received a $566 million contract from MBTA to manufacture 152 Orange Line cars and 132 Red Line cars.  
Since signing its initial contract with CRRC, the MBTA added a $277 million contract for an additional 120 Red Line cars — a deal that includes the option to purchase 14 more cars.  
The cars are scheduled to enter service between 2019 and 2023.  
CRRC MA also has contracts to build cars for non-MBTA transit systems. Los Angeles has ordered 64 new subway cars at a cost of $178.4 million, with an option for 218 more beginning in 2021.  
CRRC MA will also build 45 double-decker train cars for the Southeastern Pennsylvania Transit Authority, Philadelphia's transit system, for $137.5 million beginning in 2019.  
CRRC has said it has enough orders now to keep the factory running smoothly through 2025.  
"According to the contracts we have, the production volume will decrease after 2022. So we are actively fighting for other contracts, including more cars for the MBTA, to ensure the production scale from 2022 to 2025 will be maintained," said Jia.  
With 132 employees when production begins, the plant has the potential to expand to 180 to 200 employees in 2021.  
The salaries are between $50,000 and $60,000, plus benefits, according to Paul Gour, a business agent with International Brotherhood of Electrical Workers Local 7.  
"Jobs have been created in manufacturing, I'm very thankful to CRRC," said Springfield Mayor Domenic J. Sarno.  
The largest industrial investment in Greater Springfield in generations, the new rail car manufacturing complex was honored as the state's engineering accomplishment of the year earlier this month by the American Council of Engineering Companies of Massachusetts.

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