CITY OF CORAL GABLES

--MEMORANDUM--



TO: Mayor and City Commission City Manager, Peter Iglesias City Attorney, Miriam Ramos

FROM: Vice Mayor Vince Lago

DATE: July 16, 2019

SUBJECT: Chinese Monorail Proposal

As the City's representative to the Transportation Planning Organization, there has been much publicity regarding a recent trip taken by several TPO members to China. For clarification purposes, I declined the offer to attend travel to China as I had several reservations regarding the overall scope of the trip. At the County level, Mayor Gimenez has been a proponent of a Chinese monorail system to connect Miami to Miami Beach. Recently, some members of Congress have expressed their concerns. In a letter written by Senator Rick Scott, Senator Marco Rubio and Congressman Mario Diaz-Balart (see below) to Mayor Carlos Gimenez, the congressmen express their concerns about the Mayor's initiative to consider monorail as an alternative. As a TPO member, I believe we should continue to move forward with the SMART plan in addition to promoting rail as the primary modality for the residents of Miami-Dade County, which was promised to the residents in 2002.

I vehemently agree with the members of Congress when they assert that foreign enterprises such as China can pose a threat to our National Security "While bids by Chinese state-sponsored and subsidized companies may appear competitive in cost, such bids may also expose Florida and our nation to significant risks".

I wanted to share this with you, my colleagues on the Commission, so that you may become aware of some of the discussions happening at the County level.

To read the recent article click here: Florida senators call proposal for Miami-Dade monorail 'alarming' over ties to China

Congress of the United States Washington, DC 20515

July 15, 2019

The Honorable Carlos A. Gimenez Mayor Miami-Dade County Stephen P. Clark Center 111 NW 1st Street, 29th Floor Miami, FL 33128

Dear Mayor Gimenez:

As Miami-Dade County explores enhancing local transit options for residents and visitors to alleviate congestion and improve mobility through execution of the Strategic Miami Area Rapid Transit (SMART) Plan, we urge you to consider the potential dangers to U.S. economic and national security posed by contracting with Chinese-backed enterprises to carry out infrastructure work. While bids by Chinese state-sponsored and subsidized companies may appear competitive in cost, such bids may also expose Florida and our nation to significant risks.

In carrying out its "Made in China 2025" plan and the Belt and Road Initiative, the Chinese regime has made it a top priority to use state-subsidized manufacturing to predatorily dominate mass transit networks in the United States. This has been evidenced by Chinese state-sponsored companies winning bus and rail transit contracts in several major cities and opening domestic manufacturing operations in the United States. While we respect that local issues are to be decided by local officials, we nevertheless do have grave concerns related to embedding Chinese technologies and companies in critical infrastructure, including mass transit projects.

It is our understanding that members of the Miami-Dade Transportation Planning Organization recently participated in a delegation trip to the Indo-Pacific, including a tour of Chinese state-sponsored transit options. Of particular concern is the partnership between BYD and Huawei in the SkyRail autonomous driving monorail transit system. Huawei is a statedirected telecommunications company and an instrument of national power used by the totalitarian Chinese regime to undermine U.S. companies and other international competitors, engage in espionage on foreign countries, and steal intellectual property and trade secrets. The promotion of the SkyRail project is therefore especially alarming given the integration of Huawei's network communications services into the monorail system. Furthermore, contracting with Chinese entities not only puts our critical infrastructure at risk for security vulnerabilities, but also undermines U.S. manufacturing and jobs in the process.

Both the U.S. Senate and House have recognized the potential dangers to economic security, national security, and cybersecurity posed by contracting with Chinese-backed enterprises. Recently, both bodies of Congress approved the *Transit Infrastructure Vehicle Security Act* (S. 846/H.R. 2739) as part of the *National Defense Authorization Act for Fiscal Year 2020* (S. 1790/H.R. 2500). The *Transit Infrastructure Vehicle Security Act* will bar federal funding from being used by local transit agencies to contract with Chinese state-sponsored entities for the procurement of rolling stock. The measure also includes provisions to require

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transit operators to create and carry out cybersecurity plans aiming to prevent exposure to security threats. We will continue to advocate for parallel text in the final appropriations bills for Fiscal Year 2020.

While we applaud the county's efforts to modernize its mass transit system through implementation of the SMART Plan, we want to ensure that the safety of our state and nation are not traded away for a lower cost that puts our mass transit systems and individuals at risk. Thank you for your consideration of our concerns and we look forward to continuing this discussion.

Sincerely,

41 Marco Rubio **Rick Scott** U.S. Senator U.S. Senator

Mario Diaz-I Member of Congress

Other article: <u>Casino giant Genting and Chinese firm propose monorail linking Miami with</u> <u>Miami Beach</u>