ASSOCIATION OF AMERICAN RAILROADS

FY27 NDAA RAILROAD PRIORITIES

As the House and Senate continue their work on the FY27 NDAA, railroads are closely tracking four critical issues.

The Combatting Organized Retail Crime Act (CORCA)

Congress should include it in the FY27 NDAA to improve supply chain safety.

Cargo theft has become a serious issue for the entire supply chain. In 2025, railroads alone saw 75,000 theft incidents valued at over $200 million. AAR strongly supports CORCA, a bipartisan bill to address cargo theft by strengthening law enforcement tools, creating a national coordination center, and supporting state and local law enforcement. The House passed CORCA on suspension earlier this year with strong bipartisan support, and

The Manifest Modernization Act

Railroads strongly oppose the amendment and urge Congress to reject it as they did in the FY26 NDAA.

Unlike other modes of transportation, railroad shipments are 100 percent screened by CBP at land ports of entry through high tech screening portals and manual inspection by CBP and railroad police in closed, secure railyards before a train even enters the country. Despite this record of success, the Manifest Modernization Act would require railroads to publicly disclose manifest information threatening safety and supply chain fluidity, creating new security risks, increasing opportunities for cargo theft, and introducing operational complexities without creating any tangible safety benefits. An amendment was filed in the Senate, but not the House, to add the bill to NDAA.

Section 815 & Defense Contractors

AAR urges Congress to revise the language and avoid inadvertently targeting railroads and other logistics contractors.

Through contracts with the Department of War (DoW), Railroads move thousands of carloads of military equipment, vehicles, supplies, and other defense-related shipments. Railroads are uniquely positioned to move these critical shipments because of their safe and secure operations. The Senate NDAA included a provision in Section 815 that would bars any contractor with the DoW from paying out dividends or allowing stock buybacks for the life of the contract. Though the language was intended to target large defense companies, it was drafted in such a way that it would also capture companies like railroads.

Keeping China Off the Rails Act

AAR supports this provision.

Current law bars rail car manufacturers from using any Chinese-made tracking technology on new rail cars but is silent on existing railcars that might already include such technology and are utilized by the DoW. Keeping China Off the Rails Act would create a tiered compliance schedule for removing any potential Chinese-made technology from existing cars used by DoW. The bill was filed as an amendment in the Senate NDAA and included in the House passed version.