

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 4, 2006]²

Bill No. and sponsor: S. 3196 (Ms. Patty Murray of Washington).

Proponent name, location: City of Seattle, WA.

Other bills on product (109th Congress only): None.

Nature of bill: Authorizing duty-free entry by action of Commissioner of Customs.

Retroactive effect: Applicable to entries of named goods whose liquidation has become final prior to date of enactment.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Without amendment to the HTS, the bill would provide duty-free entry to 3 tramway cars (provided for in subheading 8603.10.00) manufactured in Ostrava, Czech Republic, and associated spare parts covered by the contract for such tramway cars (provided for in applicable subheadings of heading 8607 or other headings of the HTS). These cars will be imported pursuant to a contract between the City of Seattle, WA, and the manufacturer, Inekon Group of the Czech Republic.

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject tramway cars can carry up to 140 passengers each, are air-conditioned, and have a low-floor center section with full handicapped accessibility. The cars are 2.46 meters (about 8 feet) wide and 20 meters (about 66 feet) long. They are manufactured in Ostrava, Czech Republic.

¹ Industry analyst preparing report: Peder Andersen (202-205-3388); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: 8603.10.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5.0 %	5.0 %	5.0%	5.0 %	5.0%
Estimated value <i>dutiable</i> imports	\$5,576,739	\$7,500,000	\$0	\$0	\$0
Customs revenue loss 1/	\$278,837	\$375,000	\$0	\$0	\$0

1/ The bill's coverage runs through the end of 2007; therefore, no data for subsequent years are included. Source of estimated dutiable import data: information obtained from the City of Seattle.

HTS subheading: 8607 1/					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$354,546	\$350,000	\$0	\$0	\$0
Customs revenue loss	\$8,864	\$8,750	\$0	\$0	\$0

1/ Parts for these tramway cars are classified in heading 8607 and in a range of other HTS headings with varying rates of duty; therefore, the duty rate is an estimate. As of the date of preparation of this report, the City of Seattle has yet to receive the list of specific replacement parts that will be part of this contract; the City provided the data for calendar year 2006. The Commission could provide revised data if necessary once such a list is available. No information is provided for years after 2007, because the bill's coverage runs through the end of 2007.

Source of estimated dutiable import data: Commission estimates based on information from City of Seattle.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
City of Seattle, WA (Proponent) Joshua Jacobs, 202-224-2621 Shauna Larson, 202-659-2229 Ethan Melone, 206-684-8066	07/20/2006 07/24/2006 08/01/2006	No	No	No
Bombardier, Inc. Oakley Brooks, 202-414-8989	09/05/2006	No	No	No

Technical comments:³

We suggest contacting Customs officials to ascertain whether Customs encounters administrative or data reporting problems when duty-free entry is granted for goods that will be entering in separate shipments over a period exceeding one year, particularly when this duty-free entry is not reflected in the HTS but is merely a directive to Customs to be carried out independent of provisions of the HTS.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS
2^D SESSION

S. 3196

To provide for the duty-free entry of certain tramway cars and associated spare parts for use by the city of Seattle, Washington.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Mrs. MURRAY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the duty-free entry of certain tramway cars and associated spare parts for use by the city of Seattle, Washington.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN TRAMWAY CARS AND ASSOCIATED**
4 **SPARE PARTS.**

5 (a) IN GENERAL.—The Commissioner of Customs
6 shall admit free of duty 3 tramway cars (provided for in
7 subheading 8603.10.00 of the Harmonized Tariff Sched-
8 ule of the United States) manufactured in Ostrava, Czech
9 Republic, for the use by the city of Seattle, Washington
10 and imported pursuant to a contract with the city of Se-

1 atle, Washington, and associated spare parts for such
2 tramway cars (provided for in applicable subheadings of
3 heading 8607 or other headings of the Harmonized Tariff
4 Schedule of the United States) imported pursuant to such
5 contract, the foregoing to be entered into the customs ter-
6 ritory of the United States not later than December 31,
7 2007.

8 (b) RELIQUIDATION.—If the liquidation of the entry
9 of any article described in subsection (a) has become final
10 before the date of enactment of this Act, the entry shall,
11 notwithstanding any other provision of law, be reliquidated
12 in accordance with the provisions of this section and ap-
13 propriate refund of duty made at the time of reliquidation.

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