

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: August 17, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 2988 (George Allen of Virginia).

**Proponent name, location:** Sumitomo Corporation of America, New York, NY.

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of existing temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

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

Railway car body shells for electric multiple unit (EMU) commuter coaches of stainless steel, the foregoing which are designed for passenger coaches each having an aggregate passenger seating capacity up to 156 (including flip-up seating and wheelchair spaces) on two levels (provided for in subheading 8607.99.50).

**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:**

Railway car body shells are made of stainless steel and are used in the manufacture of subway and commuter rail cars for transportation between the suburbs and the city. The cars depend on electricity for their motive power.

The subject car body shells will be manufactured in Nippon Sharayo's Toyokawa plant in Japan with the final assembly performed at Super Steel's plant in Milwaukee, WI using various components procured in the United States. The existing contract covering purchases of such imported cars by the Chicago Metropolitan Transit Authority (METRA) is scheduled to be completed by the final delivery in October 2006. The revenue loss figures would rise if any other importer utilizes the provision, but no such potential importer has been identified.

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

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**Estimated effect on customs revenue:**

<b>HTS subheading: 8607.99.50</b>					
<del> </del>	2006	2007	2008	2009	2010
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports <sup>1/</sup>	\$425,000	\$0	\$0	\$0	\$0
Customs revenue loss <sup>2/</sup>	\$0	\$0	\$0	\$0	\$0

<sup>1/</sup> There are no known outstanding contracts for such cars to be delivered beyond October 31, 2006.

<sup>2/</sup> The estimated customs revenue loss for 2006 reflects the existing duty suspension under heading 9902.86.09 that expires on December 31, 2006; if one car were to be delivered late under the METRA contract, during 2007, the estimated revenue loss attributable to it would be \$13,175.

Source of estimated dutiable import data: Commission estimates.

**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)		
Sumitomo Corporation of America (Proponent) Max Turnipseed, 225-338-0310	07/10/2006 07/11/2006 07/12/2006 07/13/2006	No	No	No
Bombardier Transportation North America Michele Martell, 518-566-0150 Fernand Martin, 450-441-3098 Oakley Brooks, 202-414-8989	07/13/2006 07/14/2006 07/18/2006 07/19/2006	Yes	Yes	Yes
Kawasaki Rail Car, Inc. 914-376-4700	07/13/2006	No	No	No

**Technical comments:**<sup>3</sup> None.

<sup>3</sup> 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  
2D SESSION

# S. 2988

To extend the temporary suspension of duty on railway car body shells  
for electric multiple unit commuter coaches of stainless steel.

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IN THE SENATE OF THE UNITED STATES

MAY 23, 2006

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

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## A BILL

To extend the temporary suspension of duty on railway car  
body shells for electric multiple unit commuter coaches  
of stainless steel.

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. RAILWAY CAR BODY SHELLS FOR EMU COM-**  
4 **MUTER COACHES OF STAINLESS STEEL.**

5 (a) IN GENERAL.—Heading 9902.86.09 of the Har-  
6 monized Tariff Schedule of the United States (relating to  
7 railway car body shells for electric multiple unit (EMU)  
8 commuter coaches of stainless steel) is amended by strik-  
9 ing “12/31/2006” and inserting “12/31/2009”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of the enactment of this Act.

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