MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

[Date approved: August 17, 2006]

Bill No. and sponsor: S. 2986 (Mr. George Allen of Virginia).

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

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


Retroactive effect: None.

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

Railway car body shells of stainless steel, the foregoing which are designed for use in gallery-type cab control railway cars each having an aggregate capacity of 140 passengers on two enclosed levels (provided for in subheading 8607.99.10).

Check one: 

X 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 gallery-type cab control rail cars. The goods of interest to the proponent are be used by the Virginia Railway Express Company, part of the Northern Virginia Transportation Commission, as commuter rail cars. Each car will seat up to 144 passengers and depend on electricity for its motive power.

The subject car body shells will be manufactured in Nippon Sharayo's Toyokawa plant in Japan, and the final assembly will be performed at Super Steel's plant in Milwaukee, WI using various components procured in the United States. The $5.9 million contract between Sumitomo and Virginia Railway Express involves the purchase of thirteen car bodies to be delivered between the end of 2006 and the end of 2008.

The revenue loss figures would rise if any other importer utilizes the provision, but no such potential importer has been identified. The principal sources of such car shells have been Japan and Germany.

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


3 This duty suspension under HTS heading 9902.86.08 expires on December 31, 2006.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 8607.99.10</th>
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<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
</tr>
<tr>
<td>Estimated value dutiable imports</td>
</tr>
<tr>
<td>$450,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
</tr>
</tbody>
</table>

1/ Estimated deliveries: one car to be delivered in 2006, four in 2007, eight in 2008.
2/ The estimated Customs revenue loss for 2006 reflects the existing duty suspension under heading 9902.86.08 that expires on December 31, 2006.
Source of estimated dutiable import data: Commission estimates.

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>Claim US makes same or competing product(s)?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumitomo Corporation of America (Proponent) Max Turnipseed, 225-338-0310</td>
<td>07/10/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bombardier Transportation North America Michele Martell, 518-566-0150 Fernand Martin, 450-441-3098 Oakley Brooks, 202-414-8989</td>
<td>07/13/2006</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Kawasaki Rail Car, Inc. 914-376-4700</td>
<td>07/13/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Technical comments: None.

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.
To extend the temporary suspension of duty on railway car body shells of stainless steel designed for use in gallery type cab control railway cars.

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

A BILL

To extend the temporary suspension of duty on railway car body shells of stainless steel designed for use in gallery type cab control railway cars.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RAILWAY CAR BODY SHELLS OF STAINLESS STEEL DESIGNED FOR USE IN GALLERY TYPE CAB CONTROL RAILWAY CARS.

(a) IN GENERAL.—Heading 9902.86.08 of the Harmonized Tariff Schedule of the United States (relating to railway car body shells of stainless steel designed for use in gallery type cab control railway cars) is amended by striking “12/31/2006” and inserting “12/31/2009”.

VerDate Aug 31 2005 00:45 May 31, 2006 Jkt 049200 PO 00000 Frm 00001 Fmt 6652 Sfmt 6201 E:\BILLS\S2986.IS S2986ycherry on PROD1PC64 with BILLS
(b) **Effective Date.**—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.