
**SUSPENSION OF DUTY ON OPEN-TOP HOPPER CARS
EXPORTED FOR REPAIRS BEFORE JUNE 30, 1975**

JULY 14 (legislative day, JULY 10), 1975.—Ordered to be printed

Mr. LONG, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 7731]

The Committee on Finance, to which was referred the bill (H.R. 7731) to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

I. SUMMARY

House bill—The first section of the House bill would amend subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (TSUS) to insert new item number 912.08 after item number 912.05 to suspend the column 1 rate of duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975.

Section 2 of the House bill would apply the temporary duty suspension to articles entered on or after the date of enactment. It also provides that, upon appropriate application, entries of such articles made after September 1, 1974, and before the date of enactment would be liquidated or reliquidated on a free-of-duty basis.

Committee amendment—The Committee amended the House bill to insure that entries made after September 1, 1974 and before the date of enactment could be liquidated or reliquidated on a duty free basis.

II. GENERAL STATEMENT

The bill would suspend until June 30, 1975, the column I rate of duty (applicable to imports from countries accorded nondiscriminatory (MFN) tariff treatment) on open-top hopper cars provided for in item 690.15 of the TSUS. In addition, upon appropriate application, entries of such articles made after September 1, 1974, and before the date of enactment would be liquidated or reliquidated on a free-of-duty basis.

The Committee amended the House bill so that entries made after September 1, 1974 and before July 1, 1975 could be liquidated or reliquidated as if such entry had been made on June 30, 1975. Under the bill, such entries made on June 30, 1975 would be liquidated or reliquidated on a duty free basis.

Imports of railroad and railway rolling stock under TSUS item 690.15 are currently subject to a column I rate of duty of 18 percent ad valorem. In the case of articles returned to the United States after having been exported for repairs or alterations, TSUS item 806.20 provides that such articles are subject to duty at the regular rate (in this instance, 18 percent ad valorem) upon the value of the repairs or alterations made outside the United States.

Open-top hopper cars are a particular type of freight car designed to transport such commodities as coal, other minerals, and grains. H.R. 7731 arises out of a general shortage in the northeastern United States of open-top hopper cars for transporting coal. In order to assure the continued operation of one of its chemical plants with a heavy dependence upon large quantities of coal and coke, a New Jersey firm in 1974 purchased 220 used open-top hopper cars which needed to be restored to operating condition. The firm was then unable to locate rebuilding facilities within the United States which could perform the necessary repair work and deliver the hopper cars in time to meet their needs. A firm with the available shop time and material to restore the railroad cars was ultimately located in Sorel, Quebec, Canada, and the work contracted for. By January 1975, all 220 of these cars had been returned to the United States and put into service.

A similar bill, H.R. 17165, to provide for the duty-free entry for the open-top hopper cars repaired in Canada was introduced in the 93d Congress on October 8, 1974. However, no action was taken on that bill prior to adjournment of the 93d Congress.

No unfavorable comment was received by the committee from the general public on this legislation. No objections to H.R. 7731 has been received from the executive departments or from any other source by the Committee on Finance.

III. COSTS OF CARRYING OUT THE BILL AND EFFECT ON THE REVENUES OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs to be incurred in carrying out this bill and the effect on the revenues of the bill.

The committee estimates that the temporary suspension of duties on open-top hopper cars provided by the bill would result in a loss in revenues of approximately \$495,000.

IV. VOTE OF COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act, as amended, the following statement is made relative to the vote of the committee on reporting the bill. This bill was ordered favorably reported by the committee without a roll call vote and without objection.

V. CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty		Effective period
		1	4	
PART 1.—TEMPORARY LEGISLATION				
•	•	•	•	•
	Subpart B—Temporary Provisions Amending the Tariff Schedules			
•	•	•	•	•
912.05	Generator lighting sets for bicycles (provided for in item 653.39, part 3F, schedule 6).	Free.....	No change..	On or before 12/31/76;
912.08	<i>Open-top hopper cars exported for repairs or alterations (provided for in item 690.15, part 6A, schedule 6).</i>	<i>Free.....</i>	<i>No change...</i>	<i>On or before 8/30/75;</i>
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