

The original documents are located in Box 29, folder “8/8/75 HR7731 Temporary Duty Suspension on Certain Open-top Hopper Cars” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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APPROVED
AUG 8 - 1975

THE WHITE HOUSE

WASHINGTON

August 7, 1975

ACTION

Last Day: August 9

*Posted
7/9
to archive
8/12*

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON *JCC*
SUBJECT: H.R. 7731 - Temporary Duty Suspension on
Certain Open-top Hopper Cars

Attached for your consideration is H.R. 7731, sponsored by Representatives Walsh and Green, which temporarily suspends the duty on certain open-top hopper cars which were exported for repairs or alterations.

Background

In early 1974, as a result of a general shortage of open-top hopper cars used for transporting coal, a domestic chemical company located in New Jersey purchased 220 used cars which needed restoration to operating condition. As no domestic firm could make the necessary repairs in time to meet the company's needs, the cars were repaired by a Canadian firm and upon their return to the U.S. were subject to duty on the value of the repairs and alterations.

The enrolled bill provides for the duty-free entry of open-top hopper cars exported for repairs which were returned to the United States after September 1, 1974 and before July 1, 1975.

Additional background information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Bill Seidman, NSC, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 7731 at Tab B.



8/8/25

APPROVED
AUG 8 - 1975



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 4 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 7731 - Temporary duty suspension
on certain open-top hopper cars
Sponsor - Rep. Walsh (R) New York and Rep. Green (D)
Pennsylvania

Last Day for Action

August 9, 1975 - Saturday

Purpose

Suspends the duty on open-top hopper cars exported for repairs or alterations which were re-entered after September 1, 1974 but on or before June 30, 1975.

Agency Recommendations

Office of Management and Budget	Approval
Council on International Economic Policy	Approval
Department of Transportation	No objection
Department of Commerce	No objection
Department of State	No objection
Office of the Special Representative for Trade Negotiations	No objection
Department of Labor	No objection
Department of the Treasury	No objection

Discussion

Open-top hopper cars are freight cars designed to transport commodities such as coal, grains and other commodities. In early 1974, as a result of a general shortage of such freight cars in the northeastern United States, a domestic chemical firm located in New Jersey acquired its own freight cars to ensure the continued operation of one of its large

plants in Syracuse, New York, which requires great amounts of coal and coke. Unable to purchase new or reconditioned cars from domestic sources on a timely basis, the New Jersey firm purchased 220 used open-top hopper cars in various states of disrepair from U.S. companies. Since no domestic firms could make the necessary repairs in time to meet the company's needs, it arranged to have the cars repaired by a Canadian firm. Upon return to the United States in January 1975, the freight cars were subject to duty on the value of the repairs and alterations made in Canada.

The enrolled bill would provide for the duty-free entry of open-top hopper cars exported for repairs or alterations which were returned to the United States after September 1, 1974 and before July 1, 1975. The duty suspension would apply only to imports from countries with most-favored-nation status.

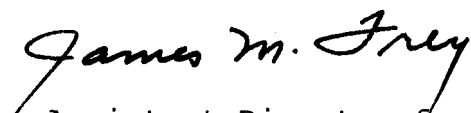
In its report to the House Ways and Means Committee supporting enactment of this legislation, the Commerce Department stated that the bill:

" . . . would not have any adverse effect on U.S. industry and would eliminate a significant cost to a domestic firm which has found it necessary to acquire and have repaired a number of such cars in order to assure the continued operation of one of its plants which produces essential industrial chemicals which are currently in short supply."

In its views letter on the enrolled bill, the Department of Transportation, after citing the special circumstances in this case, states:

" . . . while it is our view that exceptions to general rules should not be so narrowly drawn as to constitute what is in essence a private relief bill, in this instance the Department does not oppose enactment of H.R. 7731."

Like Commerce and Transportation, we believe enactment of H.R. 7731 is justified in light of the special circumstances noted above.


Assistant Director for
Legislative Reference

Enclosures

To-
James Conaway
8-4-75
5:00 PM



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 4 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 7731 - Temporary duty suspension
on certain open-top hopper cars
Sponsor - Rep. Walsh (R) New York and Rep. Green (D)
Pennsylvania

Last Day for Action

August 9, 1975 - Saturday

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Department of Labor	No objection
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Discussion

Open-top hopper cars are freight cars designed to transport commodities such as coal, grains and other commodities. In early 1974, as a result of a general shortage of such freight cars in the northeastern United States, a domestic chemical firm located in New Jersey acquired its own freight cars to ensure the continued operation of one of its large

plants in Syracuse, New York, which requires great amounts of coal and coke. Unable to purchase new or reconditioned cars from domestic sources on a timely basis, the New Jersey firm purchased 220 used open-top hopper cars in various states of disrepair from U.S. companies. Since no domestic firms could make the necessary repairs in time to meet the company's needs, it arranged to have the cars repaired by a Canadian firm. Upon return to the United States in January 1975, the freight cars were subject to duty on the value of the repairs and alterations made in Canada.

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In its report to the House Ways and Means Committee supporting enactment of this legislation, the Commerce Department stated that the bill:

" . . . would not have any adverse effect on U.S. industry and would eliminate a significant cost to a domestic firm which has found it necessary to acquire and have repaired a number of such cars in order to assure the continued operation of one of its plants which produces essential industrial chemicals which are currently in short supply."

In its views letter on the enrolled bill, the Department of Transportation, after citing the special circumstances in this case, states:

" . . . while it is our view that exceptions to general rules should not be so narrowly drawn as to constitute what is in essence a private relief bill, in this instance the Department does not oppose enactment of H.R. 7731."

Like Commerce and Transportation, we believe enactment of H.R. 7731 is justified in light of the special circumstances noted above.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures



GENERAL COUNSEL OF THE
DEPARTMENT OF COMMERCE
Washington, D.C. 20230

JUL 28 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of this Department concerning H.R. 7731, an enrolled enactment

"To suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975."

H.R. 7731 would amend the Appendix to the Tariff Schedules of the United States to provide duty-free entry until the close of June 30, 1975 for imports from countries accorded column-one most-favored-nation tariff treatment of open-top hopper cars returned to the United States after having been exported for repairs or alterations. The duty suspension would apply to such products entered after September 1, 1974 and before July 1, 1975.

This Department would have no objection to approval by the President of H.R. 7731.

Enactment of this legislation will not involve the expenditure of any funds by this Department.

Sincerely,

Karl E. Bakke

General Counsel





DEPARTMENT OF STATE

Washington, D.C. 20520

JUL 30 1975

Honorable James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

The Secretary has asked me to reply to your communication (Office of Management and Budget Memorandum dated July 28, signed by Mr. Frey) requesting our views on H.R. 7731, an enrolled bill providing temporary duty-free treatment for certain railway rolling stock returned to the United States after having been exported for reconditioning.

In general, we do not favor measures, such as H.R. 7731, which grant importers of one category of articles more favorable treatment than accorded to importers of other articles under the same item of tariff nomenclature. Our concern is that such measures may give rise to complaints of discriminatory treatment. However, since other agencies have found extenuating circumstances in this case which should enable us to respond to any such complaint and since the legislation is temporary, we would not wish to recommend a veto.

Sincerely,

A handwritten signature in black ink that reads "Robert J. McCloskey".

Robert J. McCloskey
Assistant Secretary for
Congressional Relations



GENERAL COUNSEL

OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

JUL 30 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request for the views of the Department on H.R. 7731, an enrolled bill

"To suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975."

This legislation is designed to meet a set of special circumstances which occurred when a shipper, needing coal deliveries in order to sustain operation of a plant having 600 employees, purchased worn-out cars during a period of hopper car shortages. Because it could not arrange to have the necessary repairs made to the cars in U.S. car shops in time to sustain plant operations with the needed coal, the shipper sent them to Canada for repairs and return. The return of the cars incurred import duties. While it would have been preferable to have the necessary repairs to these cars made by domestic car shops, that was not possible at that time. Under the foregoing circumstances, we feel that suspension of the applicable import duties would not be inappropriate. Accordingly, while it is our view that exceptions to general rules should not be so narrowly drawn as to constitute what is in essence a private bill, in this instance the Department does not oppose enactment of H.R. 7731.

Having reviewed the enrolled bill from the standpoint of national transportation policy and objectives, the Department does not oppose the President's signing the enrolled bill into law.

Sincerely,

A handwritten signature in cursive script, which appears to read "John Hart Ely". The signature is written in dark ink and is positioned above the printed name.


John Hart Ely

MEMORANDUM

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

July 30, 1975

FOR: James M. Frey
Assistant Director for
Legislative Affairs
O M B

FROM: Skip Hartquist 
General Counsel

SUBJECT: Enrolled Bill request re HR 7731 and HR 7728

CIEP has no objection to either of the subject Enrolled Bills and recommends that the President sign them.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

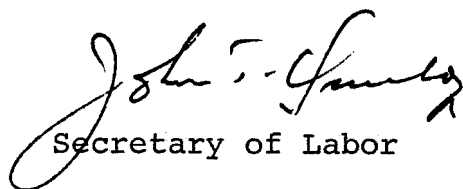
JUL 31 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to the request of your office for our views on the enrolled enactment of H.R. 7731, "To suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975." This Department would have no objection to the President's approval of this measure.

Sincerely,


Secretary of Labor

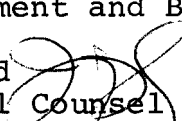
OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

August 1, 1975

MEMORANDUM

TO: James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget

FROM: John D. Greenwald 
Assistant General Counsel
Office of the Special Representative
for Trade Negotiations

SUBJECT: H.R. 7731 (the enrolled bill)

This is in response to your request of July 28, 1975, for the views of this Office on H.R. 7731, a bill "to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975."

We have no objection to enactment of the above-mentioned bill.



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

AUG 1 1975

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 7731, "To suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975."

The enrolled bill would amend the Appendix to the Tariff Schedules of the United States (TSUS) by adding a new item 912.08 to subpart B of part 1. The effect of this amendment would be to permit retroactively the free entry for column 1 countries of open-top hopper cars, currently dutiable under item 690.15 of subpart A of part 6 of Schedule 6, TSUS. Under existing law, the cost or value of repairs or alterations performed abroad on railroad or railway open-top hopper cars exported from the United States are dutiable upon reimportation at the rate of 18 percent ad valorem, which is the rate applicable to the cars themselves. The enrolled bill contains a provision whereby duty-free treatment may be applied to articles described by the bill which were entered after September 1, 1974, and before July 1, 1975, provided a request is filed with the appropriate Customs offices within 90 days after the date of enactment.

This Department has been advised that 220 railroad cars have been imported by the Allied Chemical Company from Canada during December 1974 and January 1975, resulting in a duty liability of approximately \$502,000. These importations would be covered by the enrolled enactment so the loss of

revenue would include this amount. While additional loss of revenue may result, the amount of this loss cannot reliably be estimated.

No administrative difficulties are anticipated by the U.S. Customs Service.

The Department would have no objection to a recommendation that the enrolled enactment of H.R. 7731, be approved by the President.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "L. Paul Albrecht". The signature is written in dark ink and is positioned above the typed name.

General Counsel

NATIONAL SECURITY COUNCIL

August 6, 1975

MEMORANDUM FOR: JAMES CAVANAUGH

FROM: *for* Jeanne W. Davis ^{*Act*}

SUBJECT: Enrolled Bill H. R. 7728 - Temporary
duty Suspension on Certain Catalysts
of Platinum and Carbon

The NSC Staff concurs in the proposed Enrolled Bill H. R. 7728 regarding Temporary Duty Suspension on Certain Catalysts of Platinum and Carbon.

THE WHITE HOUSE

WASHINGTON

August 6, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *MF*
SUBJECT: H.R. 7731 - Temporary duty suspension on
certain open-top hopper cars

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August *NSCB*

Time: 700pm

FOR ACTION: Bill Seidman ✓
Mike Duval ✓
Paul Leach ✓
Max Friedersdorf ✓
Ken Lazans ✓

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date:

August 6

Time:

NOON

SUBJECT:

H.R. 7731 - Temporary duty suspension on certain
open-top hopper cars

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 4

Time: 700pm

FOR ACTION: Bill Seidman
Mike Duval
Paul Leach
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date:

August 6

Time:

noon

SUBJECT:

H.R. 7731 - Temporary duty suspension on certain
open-top hopper cars

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 8/5/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

Cavanaugh

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 4

Time: 700pm

FOR ACTION: Bill Seidman
Mike Duval
Paul Leach
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: August 6

Time: noon

SUBJECT:

H.R. 7731 - Temporary duty suspension on certain
open-top hopper cars

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*No objection
JWS*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

1
1
Cavanaugh

NATIONAL SECURITY COUNCIL

August 7, 1975

MEMORANDUM FOR: JAMES CAVANAUGH
FROM: *JW* Jeanné W. Davis *Michelle Hamilton*
SUBJECT: Enrolled Bill H. R. 7731 -
Temporary Duty Suspension
on Certain Open top Hopper Cars

The NSC Staff concurs in the proposed enrolled bill H. R. 7731-
Temporary Duty Suspension on Certain Open top Hopper Cars.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN
CATALYSTS OF PLATINUM AND CARBON USED IN
PRODUCING CAPROLACTAM

JUNE 16, 1975.—Committed to the Committee on the Whole House on the State
of the Union and ordered to be printed

Mr. ULMANN, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 7728]

The Committee on Ways and Means, to whom was referred the bill (H.R. 7728) to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

DESCRIPTION OF PROVISIONS

The first section of the bill amends subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (TSUS) to insert new item number 911.40 after item number 911.25 to suspend the column 1 and column 2 rates of duty on catalysts of platinum and carbon imported for use in producing caprolactam until October 31, 1975.

Section 2 of the bill applies the temporary duty suspension to imports of such catalysts entered, or withdrawn from warehouse, for consumption on or after the date of enactment. It also provides for retroactive duty suspension on entries or withdrawals after October 1, 1973, upon appropriate request filed with the customs officer concerned within 120 days after the date of enactment.

GENERAL STATEMENT

The particular type of catalysts covered by the bill are imported under item 656.05 of the TSUS. They are currently subject to a column 1 rate of duty of 20 percent ad valorem (applicable to imports from countries accorded nondiscriminatory (MFN) tariff treatment) and a

column 2 rate of 65 percent ad valorem (applicable to imports from countries not accorded MFN treatment). The suspension would apply to both the column 1 and column 2 duties.

Caprolactam monomer is a benzenoid chemical used primarily as an intermediate in producing nylon 6, which is used mainly in the manufacture of fabrics, tires, and plastics. It has been in short supply until recently.

There are three domestic producers of caprolactam. One of these firms introduced a new production process in late 1973 and found it necessary to use a specially designed platinum-carbon catalyst. Neither this catalyst nor a suitable substitute was available at the time from domestic producers and they were obtained instead from a catalyst manufacturer in West Germany.

Generally, the usefulness of precious-metal catalysts such as these can be extended by periodically restoring the carbon base. Normally this operation is performed by the user in his plant. In this case, however, neither the user nor the domestic catalyst manufacturers could restore the carbon base. The caprolactam producer had to ship the spent catalysts to the West German manufacturer to recycle the palladium and platinum into new catalysts. Although over 97 percent of the value of the new catalyst is accounted for by platinum and palladium on which the duty had been paid previously, under a Customs ruling the article has been subject to the full duty each time it has been reimported as though it were a new catalyst. About every three months the firm has been importing a shipment of the catalysts valued at about \$300,000. The 20 percent ad valorem duty on this value has represented a considerable outlay for the firm.

The Special Representative for Trade Negotiations and the Departments of Commerce, Interior, Labor, State, and Treasury each submitted favorable reports on the bill. The Department of Agriculture deferred to other agencies. The International Trade Commission submitted an information report.

Public hearings were held by the Subcommittee on Trade of the Committee on Ways and Means on April 23 and 24, 1975 on duty-free entry and temporary duty suspension bills. During these hearings favorable testimony and written comments were received on H.R. 3357, a bill similar to H.R. 7728. No objections to this legislation have been received by the committee from any source. A similar bill was passed by the House and reported favorably by the Senate Committee on Finance in 1974. The Senate did not take action on the bill.

Your committee believes H.R. 7728 to be meritorious and unambiguously urges its approval.

EFFECT OF THE BILL ON THE REVENUES AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, the following statement is made relative to the effect on the revenues of this bill. Your committee estimates that the temporary suspension of duties on catalysts of platinum and carbon used in producing caprolactam provided by the bill would result in a loss in revenues of approximately \$240,000.

In compliance with clause 2(1)(2)(B) of Rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote by the committee on the motion to report the bill. This bill was unanimously ordered favorably reported by the committee.

OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of Rule XI of the Rules of the House of Representatives, the following statements are made.

With regard to subdivision (A) of clause 3 relating to oversight findings, your committee advises that in its review of the special circumstances with respect to the particular catalysts involved, it concluded it would be desirable to enact legislation changing the present law to suspend the duties temporarily on imports of catalysts of platinum and carbon used in producing caprolactam, by reason of the considerations outlined above in the General Statement.

In compliance with subdivision (B) of clause 3, your committee states that the changes made in present law by this bill involve no new budgetary authority or new or increased tax expenditures.

With respect to subdivisions (C) and (D) of clause 3, your committee advises that no estimate or comparison has been prepared by the Director of the Congressional Budget Office relative to H.R. 7728, nor have any oversight findings or recommendations been submitted to the committee by the Committee on Government Operations with respect to the subject matter contained in the bill.

In compliance with clause (2)(1)(4) of Rule XI, your committee states that the temporary suspension of duties on imports under this bill would not have an inflationary impact on prices and costs in the operation of the general economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES

APPENDIX TO THE TARIFF SCHEDULES—Continued

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1.—TEMPORARY LEGISLATION			
	Subpart B.—Temporary Provisions Amending the Tariff Schedules			
911.25	Synthetic rutile (provided for in item 603.70, part 1, schedule 6).		No change	On or before 6/30/77.
911.40	<i>Catalysts of platinum and carbon (provided for in item 856.05, part 3G, schedule 6) when imported for use in producing caprolactam.</i>	<i>Free</i>	<i>Free</i>	<i>On or before October 31, 1975.</i>

○

TEMPORARY SUSPENSION OF DUTY ON CERTAIN CATALYSTS OF PLATINUM AND CARBON USED IN PRODUCING CAPROLACTAM

JULY 9 (legislative day, JULY 7) 1975.—Ordered to be printed

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

REPORT

[To accompany H.R. 7728]

The Committee on Finance, to which was referred the bill (H.R. 7728) to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

I. SUMMARY

House bill.—The first section of the bill amends subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (TSUS) to insert new item number 911.40 after item number 911.25 to suspend the column 1 and column 2 rates of duty on catalysts of platinum and carbon imported for use in producing caprolactam until October 31, 1975.

Section 2 of the bill applies the temporary duty suspension to imports of such catalysts entered, or withdrawn from warehouse, for consumption on or after the date of enactment. It also provides for retroactive duty suspension on entries or withdrawals after October 1, 1973, upon appropriate request filed with the customs officer concerned within 120 days after the date of enactment.

Committee amendment.—The committee amendment would change the form of the termination date in the bill from written to numerical.

II. GENERAL STATEMENT

The particular type of catalysts covered by the bill are imported under item 656.05 of the TSUS. They are currently subject to a column

1 rate of duty of 20 percent ad valorem (applicable to imports from countries accorded nondiscriminatory (MFN) tariff treatment) and a column 2 rate of 65 percent ad valorem (applicable to imports from countries not accorded MFN treatment). The suspension would apply to both the column 1 and column 2 duties.

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The committee agreed to amend the House bill to change the form of the termination date from "October 31, 1975" to "10/31/75."

The Committee recommends favorable consideration of the bill by the Senate. No unfavorable comment was received by the Committee from the general public on this bill. No executive agencies objected to this bill. The Department of the Treasury suggested that the termination date be moved back to an earlier date, but the Committee agreed to keep the October 31, 1975 termination date in the House bill.

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 of the revenues of the bill. The Committee estimates that the temporary suspension of duties on catalysts of platinum and carbon used in producing caprolactam provided by the bill would result in a loss of revenues of approximately \$240,000.

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 rollcall 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—Continued

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1.—TEMPORARY LEGISLATION			
	Subpart B.—Temporary Provisions Amending the Tariff Schedules			
911.25	Synthetic rutile (provided for in item 608.70, part 1, schedule 6).		No change	On or before 6/30/77.
911.40	Catalysts of platinum and carbon (provided for in item 608.06, part 3G, schedule 6) when imported for use in producing caprolactam.	Free	Free	On or before 10/31/75.

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the fourteenth day of January, one thousand nine hundred and seventy-five

An Act

To suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 911.25 the following new item:

" 911.40	Catalysts of platinum and carbon (provided for in item 656.05, part 3G, schedule 6) when imported for use in producing caprolactam.....	Free	Free	On or before 10/31/75. "
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SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the one hundred and twentieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after October 1, 1973, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

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

JUNE 16, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ULLMAN, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 7731]

The Committee on Ways and Means, to whom 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, report favorably thereon without amendment and recommend that the bill do pass.

DESCRIPTION OF PROVISIONS

The first section of the bill amends 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 bill applies 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.

GENERAL STATEMENT

The bill would suspend until June 30, 1975, the column 1 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. Imports of railroad and railway rolling stock under this TSUS

item are currently subject to a column 1 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) only 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.

Favorable reports on the bill were received from the Departments of Commerce and Labor. The Department of State opposed the suspension. The Special Representatives for Trade Negotiations and the Departments of Treasury and Agriculture deferred to other agencies. The International Trade Commission submitted an information report.

Public hearings were held by the Subcommittee on Trade of the Committee on Ways and Means on April 23 and 24, 1975 on duty-free entry and temporary duty suspension bills. During these hearings favorable testimony and written comments were received on H.R. 3361, a bill similar to H.R. 7731. No objections to this legislation have been received by the committee other than from one agency.

Your committee believes H.R. 7731 to be meritorious and unanimously urges its approval.

EFFECT OF THE BILL ON THE REVENUES AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with clause 7 of rule XIII of the rules of the House of Representatives, the following statement is made relative to the effect on the revenues of this bill. Your 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.

In compliance with clause 2(1)(2)(B) of rule XI of the rules of the House of Representatives, the following statement is made relative to the vote by the committee on the motion to report the bill. This bill was unanimously ordered favorably reported by the committee.

OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of rule XI of the rules of the House of Representatives, the following statements are made.

With regard to subdivision (A) of clause 3 relating to oversight findings, your committee advises that in its review of the special circumstances with respect to the particular open-top hopper cars involved, it concluded it would be desirable to enact legislation changing the present law to suspend the duties temporarily on imports of open-top hopper cars exported for repairs or alterations, by reason of the considerations outlined above in the General Statement.

In compliance with subdivision (B) of clause 3, your committee states that the changes made in present law by this bill involve no new budgetary authority or new or increased tax expenditures.

With respect to subdivisions (C) and (D) of clause 3, your committee advises that no estimate or comparison has been prepared by the Director of the Congressional Budget Office relative to H.R. 7731, nor have any oversight findings or recommendations been submitted to the committee by the Committee on Government Operations with respect to the subject matter contained in the bill.

In compliance with clause (2)(1)(4) of rule XI, your committee states that the temporary suspension of duties on imports under this bill would not have an inflationary impact on prices and costs in the operation of the general economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (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 658.20, part 3F, schedule 6).	Free	No change.....	On or before 12/31/76.
918.08	<i>Open-top hopper cars exported for repairs or alterations (provided for in item 890.15, part 6A, schedule 6).</i>	<i>Free.....</i>	<i>No change.....</i>	<i>On or before 6/30/76.</i>

Calendar No. 274

94TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 94-280

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 1 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 1 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 cars 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 653.89, part 3F, schedule 6).	Free.....	No change..	On or before 12/31/76.
912.08	Open-top hopper cars exported for repairs or alterations (provided for in item 690.15, part 6A, schedule 6).	Free.....	No change..	On or before 6/30/75.

H. R. 7731

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 912.05 the following new item:

“	912.08	Open-top hopper cars exported for repairs or alterations (provided for in item 890.15, part 6A, schedule 6).....	Free	No change	On or before 6/30/75	”.
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SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered after September 1, 1974, and before July 1, 1975.

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of enactment of this Act, any entry to which the amendment made by the first section of this Act applies shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry had been made on June 30, 1975.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

July 29, 1975

Dear Mr. Director:

The following bills were received at the White House on July 29th:

- H.R. 5327 ✓✓
- H.R. 6219 ✓✓
- H.R. 7731 ✓✓
- H.R. 7728 ✓✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.