

Rep. Davis Introduces Legislation to Increase Freight Car Manufacturing

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Washington, D.C. - On January 21, 2010 Congressman Danny K. Davis introduced H.R. 4494, the Lightweight Coal Freight Car Credit. The Lightweight Coal Freight Car Credit will benefit taxpayers who are involved in the trade or business of transporting coal by rail before December 31, 3013 by offering a 30% tax credit. The credit is needed to stimulate demand and sales in the coal carrying freight car manufacturing sector.

Freight rail industry delivered 10,000 railcars and reached approximately \$750 million in sales in 2008, the economic downturn has hit the industry hard and it continues to be more and more difficult to compete with other freight railcar manufacturers who have cut costs by moving their manufacturing to Mexico, resulting in lost jobs and investment in the U.S. Freight rail organizations have been forced to lay-off over 1000 production workers over the past 21 months.

Companies expect they will be forced to cut more jobs and salaries to further reduce costs unless sales pick up. Davis stated, "I believe it is the responsibility of the federal government is to prevent the catastrophic consequences of a loss of millions of jobs in this nation if possible, especially in view of the profound economic crisis we now face. I also believe that now is the time to reclaim the opportunity to commence a new era of U.S. pioneering leadership in freight car manufacturing and manufacturing in general."