



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
25th Session
-

NR0258E1

O. Eng.

Brussels, 5 February 2002 .

POSSIBLE AMENDMENT OF THE EXPLANATORY NOTE TO HEADING 84.71

CONCERNING CD DRIVES AND DVD DRIVES

(PROPOSAL BY THE **US** ADMINISTRATION)

(Item III.B.14 on Agenda)

I. BACKGROUND

1. On 10 January 2002, the Secretariat received the following proposal from the **United States** :
2. "... The **United States** submits the following for consideration by the Review Sub-Committee.

Explanatory Note to heading 84.71, Part (D), paragraph 11 ("Apart from central processing units and input and output units, examples of other units include:"), Item (2)

Insert the following new paragraph after the existing text for item (2) :

"Such storage units include compact disc and digital versatile disc read only memory drives (e.g., CD-ROM, DVD-ROM), recordable drives (e.g., CD-R, DVD-R) and rewritable drives (e.g., CD-RW, DVD-RW). These devices possess a laser, mirror and lens. They are external or internal units designed for use with automatic data processing machines. A read only memory drive reads discs bearing data that cannot be erased or re-recorded. A recordable drive permanently records data on specially treated discs that may be read by a read only memory drive. A rewritable drive is used to read, record, erase and re-record data stored on discs."

Note : Shaded parts will be removed when documents are placed on the WCO documentation database available to the public.

File No. 2913

3. At its 17th Session, the Harmonized System Committee classified certain CD-ROM drives as storage units of subheading 8471.70, by application of Notes 5(B), (C) and (D) to Chapter 84. The decision is reflected in a Classification Opinion approved at the Committee's 18th Session:

8471.70 1. CD-ROM drives, being storage units for automatic data processing machines which consist of drive-units designed for retrieving signals from CD-ROMs, audio CDs and photo-CDs. They are equipped with a jack for earphones, a volume-control button and a start/stop button.

4. The expression "storage unit" is broad enough to cover devices that both record and read data, such as ZIP drives. Therefore, the CD-R and CD-RW drives are also classifiable as storage units of subheading 8471.70.
5. CD-R and CD-RW drives are popular peripherals designed for connection with computers by means of a USB, serial or other interface. It is anticipated that they will eventually replace CD-ROM drives as standard equipment for computers. In view of their importance in international trade, we propose an amendment to the Explanatory Notes in order to clarify the classification of CD-ROM, CD-R and CD-RW drives in the Harmonized System..."

II. SECRETARIAT COMMENTS

6. The Secretariat appreciates the contribution made by the **United States**, but would like to point out that the proposal is directly related to the question of the "classification of DVD drives and DVD players, including game players" which is still pending on the agenda of the Harmonized System Committee.
7. The Sub-Committee is reminded that the HS Committee at its 28th Session agreed to discuss the classification of DVD drives, standalone DVD players and the "PS2" at that session but to take a final decision on the classification of these products at its next session (see paragraphs 4, 5, 6 and 10 of Annex G/9 to Doc. NC0510E2, HSC/28 – Report).
8. Although, in principle, the Secretariat would not expect any objection to the proposal made by the **US**, it would be appropriate to wait for final classification decisions from the HS Committee before considering the **US** text in detail, especially in respect of better identifying not only the products to be included in the Explanatory Note to heading 84.71 but also the products to be excluded therefrom. After its classification decisions, the Committee was also supposed to express its preference as to whether these amendments should be examined directly by itself or the Review Sub-Committee.
9. On this basis, the Secretariat could prepare the relevant draft amendments for examination either by the Sub-Committee at its 26th Session or by the Working Party to the HS Committee's 30th Session.

III. CONCLUSION

10. Taking into account the **US** and Secretariat comments above, the Sub-Committee is invited to express its views as to whether it agrees with the Secretariat comments in paragraphs 8 and 9 above.
