



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
24th Session
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NR0179E1
(+ Annex)
O. Eng.

Brussels, 18 July 2001.

PROPOSAL BY THE US ADMINISTRATION TO AMEND
THE NOMENCLATURE TO HEADING 84.82

(Item III.A.11 on Agenda)

Reference documents :

NR0157E1 (RSC/23)
NR0165E2, Annex D/6 (RSC/23 – Report)

I. BACKGROUND

1. Due to the lack of time to properly consider the US proposal, the Sub-Committee, at its 23rd Session, agreed to have only a preliminary discussion on this agenda item. The Director suggested that the word “entered” in proposed subheading 8482.21 should be replaced by the word “presented”.
2. Referring to subheading 8482.21, one delegate questioned the need for the phrase “entered separately” in the two-dash subheading when it did not occur in the one-dash subheading. In his opinion, this reference might have a limiting effect on the subheading which might not be intended. In addition, he invited delegates to examine for the Sub-Committee’s next session, the new proposed text as it related to the “parts” break-outs. In his opinion, the new subheading 8482.7 series gave the impression that these “parts” were no longer parts but something more. In addition, subheading 8482.81 suggested an end-use criterion which, while appropriate at the national level for statistical purposes, might not be appropriate at the international level.
3. In response to the question concerning the need for the phrase “entered separately”, the US Delegate explained that the intention of the proposed legal text amendments was to ensure that this subheading covered only the part of the whole bearing assembly which was frequently shipped separately.
4. Another delegate indicated the need for the Sub-Committee to receive further technical literature on the subject goods, including pictures. The US Delegate stated that such information was available. His administration would forward the requested information to the Secretariat, in hard copy and electronic format, if available.

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5. Subject to the above, the Sub-Committee agreed to continue discussion of this agenda item at its next session.
6. Following the request for further technical information, the Secretariat received the following note from the US Administration.

II. NOTE FROM THE US ADMINISTRATION

7. "During its 23rd Session, the Sub-Committee considered a US proposal to create a new subdivision for cone and tapered roller assemblies presented separately. The Sub-Committee requested further technical information regarding the identification of such products. In response, we offer the following illustration.
8. Figure 1 is a cutaway view of an automotive wheel hub assembled to an axle spindle with tapered roller bearings. The drawing illustrates the fact that tapered roller bearings are often two separately assembled parts : the cone and tapered roller assembly (#3 in the illustration); and the bearing cup (#4 in the illustration). These separate components are assembled at the point where the bearing will be used. In some manufacturing operations, the bearing cup is shipped to the plant where the wheel hub is manufactured. At that location the bearing cup is press-fitted into the wheel hub, after which the hub/bearing cup subassembly is shipped to an automotive assembly plant. The bearing cone and tapered roller assembly is shipped separately to the automotive assembly plant where it is added when the wheel hub is mounted on the axle spindle.

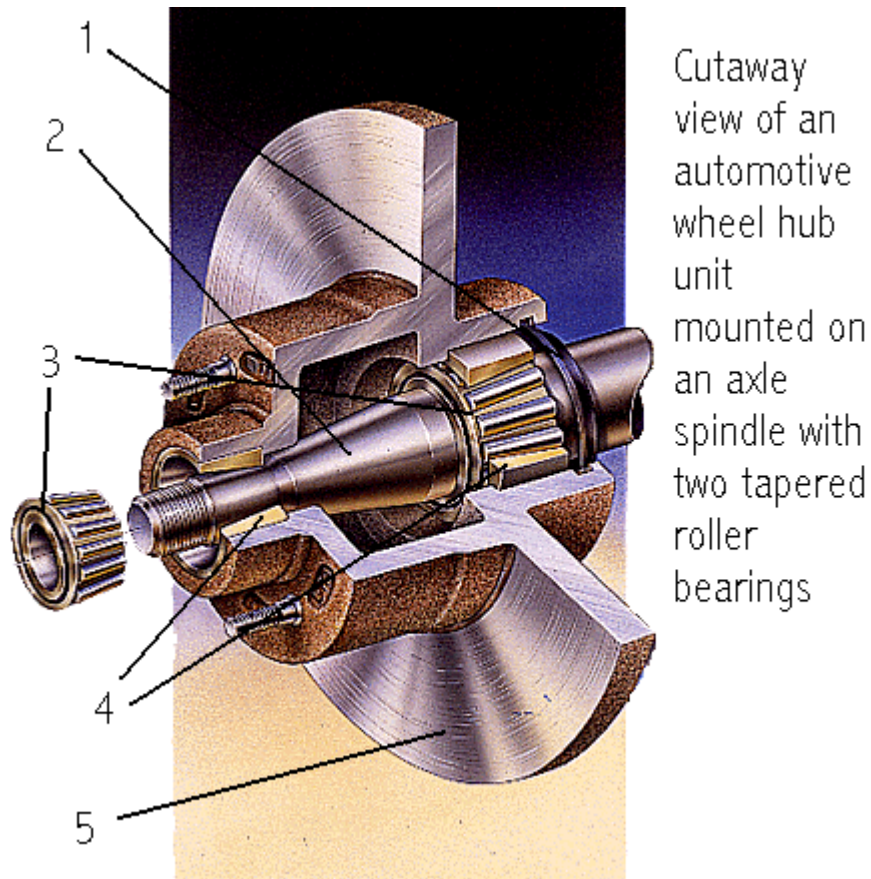


Figure 1.-- The parts shown are (1) grease seal, (2) axle spindle, (3) cone and tapered roller assemblies, (4) tapered roller bearing cups, and (5) wheel hub incorporating disk for disk brakes.

9. Even when the entire series of operations described above takes place in a single assembly plant, the parts are typically shipped separately, because they are used in different locations in the plant, at different stages of the final assembly process.
10. These products are significant articles of international trade. In the following table we restate the trade data we supplied in our original proposal, Doc. NR0157E1 (value data represent imports plus exports, numbers are in US\$).

Description	Proposed Subheading	US Trade Value
Cone and tapered roller assemblies presented separately (i.e., without cones)	8482.21	\$ 170,000,000
Tapered roller bearings (i.e., complete units)	8482.29	\$ 220,000,000
Rollers	8482.7	\$ 20,000,000
Races	8482.8	\$ 120,000,000
Other parts of tapered roller bearings (including cones presented separately)	8482.9	\$ 15,000,000."

III. SECRETARIAT COMMENTS

11. Referring to paragraph 2 above, the Secretariat can understand the comment made by one delegate with regard to proposed subheading 8482.81 suggesting an end-use criterion which, while appropriate at the national level for statistical purposes, may not be appropriate at the international level. However, in this connection, it is worthwhile to note that, while the HS endeavours to avoid classification by end-use, this is of particular importance when a generic product is acceptable for two different uses. In the present situation, while the classification is by end-use, it is clear that the products can be differentiated by their design characteristics. An inner or outer ring or race for a tapered roller bearing would not be suitable for applications where the roller bearing is cylindrical. Consequently, while both products are called "inner or outer rings or races", they are not identical products and can be easily distinguished.
12. In light of the foregoing comments, the Secretariat leaves it to the Sub-Committee to determine whether the language of proposed subheading 8482.81 is acceptable terminology for the Harmonized System.

IV. CONCLUSION

13. The Sub-Committee is invited to take account of the additional information provided by the US Administration, as well as the Secretariat's comments when it examines this agenda item.

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The US Administration submitted the following proposal at RSC/23. It is reproduced in its entirety for the convenience of delegates.

**US proposal to amend the Nomenclature
to heading 84.82**

1. "The United States submits the following proposed modifications to the structured nomenclature of heading 84.82 to provide for additional detail for tapered roller bearings and parts thereof.

Subheading 8482.20 :

Delete and replace with the following :

“- Tapered roller bearings, including cone and tapered roller assemblies

8482.21 - - Cone and tapered roller assemblies entered separately

8482.29 - - Other”

2. We are proposing the detail shown above because a substantial proportion of the trade involves tapered roller bearings of the separable type. In such products the outer ring (the cup) is mounted separately from the inner ring (the cone). When the cone is assembled with the roller elements and the cage which maintains the spacing of the rolling elements, the resulting cone and tapered roller assembly would be classified in subheading 8482.21.

3. Cone and tapered roller assemblies are referred in the trade as “cone assemblies.” They are often traded separately from the cup for use in applications where the outer ring (or cup) will be embedded in or otherwise attached to another part prior to assembly. For example, in the manufacturing of motor vehicles, the cone assembly becomes part of the axle assembly and the cup becomes part of the wheel hub assembly, each of which may be built by separate suppliers. The bearing is not actually assembled completely until the wheel hub unit is mounted on the axle assembly, typically at a final assembly plant.

Subheading 8482.80.

Renumber as “8482.60”.

Subheadings 8482.9, 8482.91 and 8482.99.

Delete and substitute :

“- Balls, needles and rollers :

8482.71 - - Taperer rollers

8482.79 - - Other

- Inner or outer rings or races :

8482.81 - - For tapered roller bearings

8482.89 - - Other

- Other parts :

8482.92 - - Of tapered roller bearings

8482.99 - - Other"

4. Tapered roller bearings account for approximately \$390 million of combined imports and exports for the United States alone. Of that trade, approximately \$170 million is cone assemblies entered separately. Rollers (proposed 8482.7), races (proposed 8482.8) and other parts of tapered roller bearings (proposed 8482.9) account for approximately \$20 million, \$120 million and \$15 million, respectively, of combined imports and exports for the United States. In addition, these goods are of particular interest in as much as they have been the subject of investigations into possible trade actions in a number of countries."
