



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
25th Session
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NR0248E1
(+ Annexes I and II)

O. Eng.

Brussels, 28 January 2002.

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

(Item III.A.8 on Agenda)

Reference documents :

NR0157E1 (RSC/23)
NR0165E2, Annex D/6 (RSC/23 – Report)
NR0179E1 (RSC/24)
NR0205E2, Annex C/11 (RSC/24 – Report)
NR0218E1 (RSC/25)

I. BACKGROUND

1. At its 28th Session, the Committee examined a US proposal to amend the structured nomenclature to heading 84.82. After an exchange of views on the US proposal, the Delegate of Japan informed the Committee that his administration wanted to supply more information on this issue before the Committee would take a decision. This information would be forwarded to the Review Sub-Committee which would, at its next session, also continue to discuss options to try and provide for a one-dash parts provision and the US proposed break-outs for “parts of tapered roller bearings”, on the basis of a new proposal to be submitted by the US Administration. The Committee accepted the Japanese offer to provide additional information. On 21 December 2002, the Secretariat received the following note from the Japanese Administration.

II. NOTE FROM THE JAPANESE ADMINISTRATION

2. "For ease of reference, the amendments to heading 84.82 proposed in Doc. NR0179E1 and the relevant present HS codes and texts are reproduced in the table together with the trade data provided by the US and Japan as set out in Annex I to this note.

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

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3. Regarding the amendments to subheading 8482.2, as noted in paragraph 2 of the Annex C/11 to Doc. NC0205E1 and according to the trade data provided by Japan, we consider with a view to keeping the HS as simple as possible, that present subheading 8482.20 should not be divided to create new subheadings 8482.21 and 8482.29 for separate identification of parts of the tapered roller bearings (i.e., cone and tapered roller assemblies) because more than 80 % of the total trade volume of the cone and tapered roller assemblies is traded together with their outer rings (cups) as complete sets.
4. However, if the Sub-Committee agrees to such amendments, the classification of the sets of tapered roller bearings should first be clarified in the new subheading texts, since the trade volume of the sets of tapered roller bearings far exceeds that of the cone and tapered roller assemblies. In this case, new subheading 8482.2 should therefore read as follows :
 - Tapered roller bearings, including cone and tapered roller assemblies :

8482.21 - - Tapered roller bearings

8482.22 - - Cone and tapered roller assemblies, without their outer rings.
5. As regards proposed creation of new subheadings 8482.7, 8482.8 and 8482.9, it would seem that more detailed trade data is required because, according to the trade data provided in the table in Annex I, the trade volume of the proposed new subheadings 8482.7 and 8482.9 is \$20 million and \$15 million, respectively, which does not exceed the threshold for the creation of a new subheading (i.e., \$ 50 million). Moreover, the trade data of the proposed new two-dash level subheadings (i.e., new subheadings 8482.71, 8482.79, 8482.81, 8482.89 and 8482.99) remains unknown.
6. It should also be noted that if the creation of new subheadings 8482.7, 8482.8 and 8482.9 is accepted, there would be 3 one-dash subheadings for parts under a single heading, which would be quite unusual for the HS Nomenclature. Therefore, it seems preferable to leave the text as it currently stands, with a view to keeping the HS as simple as possible, and to provide for further details at national level, if necessary.
7. The proposed amendments argued that the present subheading 8482.80 be replaced by new subheadings 8482.81 and 8482.89. In that case, however, the classification of certain bearings currently covered by the subheading 8482.80 would become difficult. Therefore, present subheading 8482.80 should not be amended."

III. SECRETARIAT COMMENTS

8. Referring to subheadings 8482.7, 8482.8 and 8482.9 in the original proposal by the United States, the Secretariat would draw the Sub-Committee's attention to the new proposal by the US Administration in Doc. NR0218E1, wherein the US has opted to retain all parts in subheading 8482.9.

IV. CONCLUSION

9. The Sub-Committee is invited to take account of the comments made by the Japanese Administration in paragraphs 2 to 7, as well as the information supplied in the attached annexes to this document, when it examines this agenda item.

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Proposed amendments to heading 84.82 and the relevant present HS codes and texts

Present HS Codes	Present Descriptions	US proposed HS Codes	US Proposed Descriptions	Trade volume provided by	
				(US)	(Japan)
84.82	Ball or roller bearings	84.82	Ball or roller bearings		
8482.20	- Tapered roller bearings, including cone and tapered roller assemblies		- Tapered roller bearings, including cone and tapered roller assemblies :		
		8482.21	- - Cone and tapered roller assemblies	\$ 170MM□	\$55MM (5,505MM)
		8482.29	- - Other	\$ 220MM□	\$213MM (21,384MM)
			- Balls, needles and rollers :	\$ 20MM□	
		8482.71	- - Tapered rollers	?	
		8482.79	- - Other	?	
8482.80	- Other, including combined ball/roller bearings		- Inner or outer rings or races :	\$ 120MM□	
		8482.81	- - For tapered roller bearings	?	
		8482.89	- - Other	?	
	- Parts :		- Other parts :		
8482.91	- - Balls, needles and rollers	8482.92	- - Of tapered roller bearings	\$ 15MM□	
8482.99	- - Other	8482.99	- - Other	?	

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Trade data regarding tapered roller bearings
supplied by the Japan Bearing Industrial Association

Descriptions	1998	1999	2000	2001(Jan.-Sep.)
(A) Tapered roller bearings (i.e., complete sets)	¥ 20,072MM	¥ 19,166MM	¥ 21,384MM	¥ 15,792MM
(A) / (C)	74.7%	78.1%	79.5%	80.2%
(B) Cone and tapered roller assemblies, without their outer rings	¥ 6,808MM	¥ 5,364MM	¥ 5,505MM	¥ 3,900MM
(B) / (C)	25.3%	21.9%	20.5%	19.8%
(C) Total	¥ 26,880MM	¥ 24,529MM	¥ 26,889MM	¥ 19,692MM