



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0418E1

-
28th Session
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O. Eng.

Brussels, 30 July 2003.

POSSIBLE AMENDMENTS TO THE STRUCTURED NOMENCLATURE TO HEADING 90.30

(PROPOSAL BY THE US ADMINISTRATION)

(Item III.A.20 on Agenda)

Reference documents :

NR0252E1 (RSC/25)

NR0265E3, Annex D/11 (RSC/25 - Report)

NR0290E1 (RSC/26)

NR0321E1 (RSC/26)

NR0332E3, Annex C/19 (RSC/26 – Report)

NR0382E1 (RSC/27)

NR0400E3, Annex C/16 (RSC/27 – Report)

I. BACKGROUND

1. At the Review Sub-Committee's 27th Session, several delegates began the discussion of this agenda item by expressing support for the **US** proposal. In their view, the proposal would result in a transfer of products from a residual subheading to a more specific subheading, thereby improving the usefulness and detail of trade data. There was also support for the **US** view that the current text placed an undue burden on Customs officers. Finally, it was felt that it was important to identify products by their function and not on the basis of the presence or absence of a recording device.
2. However, other delegates were in favour of the status quo. One delegate informed the Sub-Committee that his administration felt that maintaining subheadings 9030.3 and 9030.83 was important for developing countries. Another delegate referred to Doc. NR0290E1, which contained trade data supporting the importance of these devices in trade. Considering the trade volume, he could see no reason for deleting those subheadings. There was neither a problem of overlap with other subheadings nor the necessity of having an elaborate inspection regime that would justify the decision to delete them. If the reason for suggesting the deletion was statistical, then he believed that such statistics could be provided for at the national level. Consequently, he preferred the status quo.

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3. The **US** Delegate informed the Sub-Committee that the purpose of his administration's proposal was to have goods of the same type provided for in one subheading. This would result in more meaningful data because it would group products by function in one subheading. In his administration's view, the gathering of trade data on devices according to whether they had an internal recording device was not meaningful, given that centrally located automatic data processing machines were increasingly used to record measurements of electrical phenomena remotely. He referred to subheadings 9030.10 and 9030.20, and pointed out that they captured all products in those categories by their function. Turning to subheading 9030.3, he drew the Sub-Committee's attention to the fact that it covered only certain products without a recording device. The remainder was covered by subheading 9030.83, these devices being grouped with other types of products. His administration therefore believed that it was preferable to group goods of the same type in one subheading.
4. A discussion then ensued using as a basis the Director's compromise proposal made at the Sub-Committee's last session, which was set out in paragraph 6 of Doc. NR0382E1. From this discussion, some proposals were presented but no agreement was reached in the Sub-Committee. The **US** Delegate indicated that deleting the phrase "without a recording device" from subheading 9030.3 and leaving subheading 9030.83 unchanged would be good for the industry and also simplify the Harmonized System. The **EC** Delegate indicated that this could be a starting point for further discussions at the next Review Sub-Committee meeting. He was willing to study any other proposal and if a compromise could not be reached, then it would be necessary, at that point, to send the matter to the HS Committee for decision. Other delegates supported this point of view.
5. At the end of the discussion, the following text was proposed for consideration at the next session :
 - " - Other instruments and apparatus, for measuring or checking voltage, current, resistance or power :
 - 9030.31 -- Multimeters without a recording device
 - 9030.32 -- Multimeters with a recording device
 - 9030.33 -- Other, without a recording device
 - 9030.39 -- Other, with a recording device".

Under this proposal subheading 9030.83 would not be deleted, but would change in scope.
6. Several delegates indicated their willingness to discuss this new proposal at the Sub-Committee's next session.
7. The Sub-Committee concluded its discussion with the **US** Delegate indicating that his administration would submit an alternative proposal to the Secretariat for the Sub-Committee's next meeting.
8. On 1 July 2003, the Secretariat received the following note from the **US** Administration.

II. COMMENTS FROM THE US ADMINISTRATION

“Possible amendments to the structured nomenclature to heading 90.30

9. The Sub-Committee is considering proposals by this administration to update the structured nomenclature to heading 90.30. The purpose of the US proposal is to eliminate the distinction for measuring apparatus that include self-contained recording devices. The reason for our request is that much of the market for self-recording apparatus has declined as more and more of these apparatus are manufactured with the ability to send digital or analogue signals to central monitoring and recording stations. Self-recording apparatus are decreasing in importance in trade. The current subheadings for self-recording apparatus do not include the important, growing class of devices that are part of a system that records the measurements over time.
10. Although the Sub-Committee was receptive to the US proposal, one administration was quite reluctant to agree to the removal of the recording criterion. The principal reason for its objection was the volume of trade in the individual subheadings. The United States reminded the Sub-Committee that this proposal originated in the trade, which, despite the value of trade in the “basket” categories, insists that the self-recording distinction is of no use to them, for the reason indicated above. Nevertheless, the Sub-Committee was not able to achieve a consensus to remove subheading 9030.83, the residual category for apparatus with self-recording ability.
11. We still favor removing subheading 9030.83 but if the Sub-Committee cannot reach a consensus to do so, we would offer the following in the nature of a compromise.
12. Subheadings 9030.31 and 9030.39 cover apparatus for measuring voltage, current, resistance or power, that do not have a self-recording capability. The apparatus of this sort that are equipped for internal recording are classified in subheading 9030.83, a residual subheading that includes many kinds of measuring apparatus with self-recording ability. As a result, the Harmonized System does not provide aggregate information on all apparatus for measuring voltage, current, resistance or power.
13. We propose that the Structured Nomenclature be modified to include in subheadings 9030.31 and 9030.39 any apparatus for measuring voltage, current, resistance or power that has self-recording ability. This can be done by removing the text, “, without a recording ability” from one-dash subheading 9030.3. The remaining text would read :
- “ - Other instruments and apparatus, for measuring or checking voltage, current, resistance or power :”.
14. This modification would involve a move of some self-recording apparatus from subheading 9030.83 into the subheadings of 9030.3. Current subheading 9030.83 encompasses a wide range of measuring and checking apparatus and its scope would be decreased only slightly by this action. We would nevertheless recommend changing the subheading number from 9030.83 to 9030.84 to reflect this slight change in scope.”

III. SECRETARIAT COMMENT

15. It is evident from reading the Report of the last session that there is a clear divergence of opinion on the proposal to amend the structured nomenclature to heading 90.30. The Sub-Committee has been studying this issue since its 25th Session but has not been able to reach a consensus. The US Administration has put forward a compromise proposal and, in

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addition, there is the text in paragraph 5 above, which was drafted during the last session. The Secretariat would urge Contracting Parties to give these proposals serious consideration and come prepared with options to reach a compromise, as there are many pressing issues that must be dealt with in a short period of time.

IV. CONCLUSION

16. The Sub-Committee is invited to take account of the comments from the **US** Administration, as well as the text in paragraph 5, when it examines this agenda item.
