



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0462E1

-
28th Session
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O. Eng.

Brussels, 4 August 2003.

POSSIBLE AMENDMENT TO SUBHEADING 8525.40

(PROPOSAL BY THE US ADMINISTRATION)

(Item III.A.28 on Agenda)

Reference documents :

NC0055E1 (HSC/23)	NR0173E1 (RSC/24)
NR0072E2, Annex C, paragraph 94 (RSC/20 – Report)	NR0199E1 (RSC/24)
NR0086E1 (RSC/21)	NR0205E2, Annex C/5 (RSC/24 – Report)
NR0093E1 (RSC/21)	NR0214E1 (RSC/25)
NR0095E1 (RSC/21)	NR0259E1 (RSC/25)
NR0101E2, Annex B/12 (RSC/21 – Report)	NR0260E1 (RSC/25)
NR0101E2, Annex E/15 (RSC/21 – Report)	NR0265E3, Annex C/4 (RSC/25 – Report)
NR0118E1 (RSC/22)	NC0578E1 (HSC/29)
NR0133E2, Annex D/8 (RSC/22 – Report)	NC0590E2, Annex IJ/16 (HSC/29 – Report)
NR0141E1 (RSC/23)	NR0287E1 (RSC/26)
NR0152E1 (RSC/23)	NR0332E3, Annex C/16 (RSC/26 – Report)
NR0165E2, Annex D/8 (RSC/23 – Report)	NR0323E1 (RSC/26)

I. BACKGROUND

1. At the Review Sub-Committee's 26th Session, the Delegate of **Japan** explained that his administration felt strongly that, due to the major differences in technologies between silver-halide cameras and digital still image cameras, it was inappropriate to group all cameras in one heading. **Japan** was of the opinion that the appropriate grouping of cameras should be studied during the overall review of the information technology Chapters of the HS Nomenclature and not as a separate question.
2. The Director informed the Review Sub-Committee that a large majority of the delegates to the Harmonized System Committee, as expressed by an indicative vote, had been in

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favour of the RSC continuing to study a possible regrouping of cameras in a single heading. Furthermore, the conclusion of the HS Committee, as noted in its Report, was to have the RSC continue to study the regrouping of all cameras in one heading. This meant, in his view, that the RSC was to draft such a proposal and to submit it to the Committee for consideration. The Committee would then decide if such a regrouping was desirable.

3. The **Canadian** Delegate suggested that the RSC should address the original concern, that being the wording of subheading 8524.40; any resulting text could then be incorporated into a re-grouping or used to simply amend the existing Nomenclature.
4. The Sub-Committee concluded its discussion on this agenda item by agreeing to first discuss the broader scope of the information technology Chapters on the basis of the **EC**, **US** and other proposals and then to continue its study of the regrouping of all cameras in one heading within the overall context of this question.
5. At its 31st Session the HS Committee took note of and approved the restrictive approach to the review of the high-technology provisions that had been recommended by the Informal Working Group that met immediately prior to the 31st Session. That restrictive approach excluded the regrouping of all cameras in one heading from further consideration during this review cycle.
6. On 1 July 2003, the Secretariat received the following note from the **US** Administration.

II. COMMENTS FROM THE **US** ADMINISTRATION

"Possible Amendment of Subheading 8525.40

7. During previous sessions the Review Sub-Committee has considered possible changes to heading 85.25 and subheading 8525.40 ("Still image video cameras and other video camera recorders; digital cameras.")
8. Until last year the description for subheading 8525.40 read, "Still image video cameras and other video camera recorders." That text also appeared in heading 85.25. During its 21st Session, the Harmonized System Committee decided unanimously to classify the "LCD Digital Camera QV - 10" in heading 85.25 and in subheading 8525.40 (Annex IJ/12 to Doc. 42.100, HSC/21 Report). The Committee subsequently modified the heading and subheading texts to clarify the scope of the subheading. The modification, which became part of the Recommendation of June 1999 and was implemented on 1 January 2002, added the expression, ", **digital cameras**" to the end of the existing text in the heading and in subheading 8525.40.
9. After implementing the January 2002 change, it became clear that the expression "Still image video cameras and other video camera recorders; digital cameras," was problematic. Several of the problems with the text have already been noted by this Sub-Committee. Firstly, the text utilises an antiquated term, "still image video cameras". Furthermore, because the subheading text uses a semicolon to separate the new (2002) reference to "digital cameras" from the reference to "still image video cameras and other video camera recorders," the text could be construed to imply that the products on the two sides of the semicolon describe mutually exclusive categories. This is clearly not the case, since the HSC had already classified digital cameras in subheading 8525.40 before there was any reference to digital cameras in the legal text or Explanatory Note.

10. There is a growing consensus in the Sub-Committee that these legal texts need to be revised, and we take this opportunity to remind the Sub-Committee about the text we proposed for heading 85.25 and subheading 8525.40 during the 26th Session of the Sub-Committee :

Heading 85.25 and subheading 8525.40.

Replace “Still image video cameras and other video camera recorders; digital cameras” with the following :

“Digital cameras, whether or not recording, and digital camcorders; other video cameras, whether or not recording, including camcorders”.

11. This modification will (1) clarify the scope of the provisions, (2) group all digital cameras on one side of the semicolon and (3) eliminate the archaic reference to “still image video cameras”.

III. SECRETARIAT COMMENTS

12. The above-mentioned **US** text was first presented from the floor by the **US** Delegate at the Sub-Committee’s 24th Session, for subheading 9006.80 or 8525.40, depending on which heading the Sub-Committee chose for a regrouping of digital cameras. It was then presented in written form in Doc. NR0287E1 at the Sub-Committee’s 25th Session, together with the combined Secretariat/**Canadian** proposal, which was reproduced from the Annex to Doc. NR0173E1.
13. Given the Committee’s decision to exclude the regrouping of all cameras in one heading from further consideration during this review cycle, as reported in paragraph 5 above, the Secretariat would leave it to the Sub-Committee to decide whether it wishes to take up the discussion of the **US** proposal at this time. The Secretariat would only note that the existing texts of heading 85.25 and 8525.40 are clearly unsatisfactory and should be improved during this review cycle.

IV. CONCLUSION

14. The Sub-Committee is invited to take account of the note from the **US** Administration, as well as the Secretariat’s comments above, when it examines this agenda item.
