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HARMONIZED SYSTEM COMMITTEE

NC0319E1 (+ Annex)

O. Eng.

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Brussels, 30 October 2000.

CLASSIFICATION OF WELDED TUBE MILL MACHINERY PRESENTED WITHOUT WELDING EQUIPMENT

(Item VIII.11 on Agenda)

I. BACKGROUND

On 13 September 2000, the Secretariat received a note from the United States
 Administration requesting the classification of certain forming machinery for a welded tube
 plant be put on the Committee's agenda. The note is reproduced in the Annex to this
 document.

II. SECRETARIAT COMMENTS

- 2. The description of the machinery at issue is set out in the Annex to this document.
- 3. Machinery to produce welded tube consists, essentially, of (i) a set of rolls to shape metal strip into a circular form and (ii) (electrical) welding equipment. In the case at issue, the welding equipment is, however, not present. As can be seen from the schematic representation in the Appendix to the Annex, the rolls serve simply to bend the metal strip in a sequence of operations from a flat product into a hollow profile. This process does not affect the wall thickness of the tube.
- 4. The Secretariat agrees with the US Administration that only headings 84.55 and 84.62 merit consideration. Heading 84.55 covers metal-rolling mills, the rolls of which roll out or shape the metal by pressure and at the same time modify the structure of the metal and improve its quality (see the first paragraph of the Explanatory Note to that heading on page 1369). The examples given in the same Explanatory Note, last paragraph on page 1369 and the first paragraph on page 1370, describe various types of tube rolling mills. With these mills the wall thickness of the tubes is reduced or the tube is formed by the use a piercing mandrel. From the information contained in the Explanatory Note to heading 84.55, the Secretariat understands that the character of the machines of that heading is to reduce the thickness of the tube walls or of other material. Since the machine at issue does not reduce

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the thickness of the material, the Secretariat would be inclined to rule out classification in this heading.

5. Heading 84.62 covers machine-tools for working metal by bending, folding, etc. Item (2) of the Explanatory Note to heading 84.62, on page 1384, describes bending machines, which, by passing flat products (sheets, plates and strips) through three or four sets of rollers, give them a cylindrical curve. The Secretariat considers that this operation is the same as the one described in the submission from the US, and would, therefore, agree with that administration to classify the machine at issue in heading 84.62. Since there is no information as to whether the machinery at issue is numerically controlled, the Secretariat is not in a position to give its views as to the appropriate classification at subheading level (i.e., subheading 8462.21 or 8462.29).

III. CONCLUSIONS

- 6. The Harmonized System Committee is invited to consider the classification of the machine described in the Annex to this document, taking into account the observations of the US Administration in that Annex, and the comments of the Secretariat in paragraphs 2 to 5 above.
- 7. It is also invited to indicate what action, if any, should be taken to reflect its decision.

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Annex to Doc. NC0319E1 (HSC/26/Nov. 2000)

NOTE FROM THE U.S. ADMINISTRATION ON THE CLASSIFICATION OF WELDED TUBE MILL MACHINERY WITHOUT WELDING EQUIPMENT

1. The United States Administration has been considering the classification of certain welded tube mill machinery that is presented without welding equipment. The United States Administration submits the classification question to the Harmonized System Committee for consideration and decision.

Product Description

- 2. The product is welded tube mill machinery presented without welding equipment. It is used to process coiled metal strip into tubular forms. The machinery consists of the following components: an edge trimmer; breakdown or forming rolls; idler vertical closing rolls; and fin pass rolls.
- 3. Coiled metal strip material is fed into an edge trimmer (if necessary) to establish the desired width for the tubular form and ensure that the edge is made smooth and clean for good welding. The coiled metal strip is then fed into the first of three types of rolls to progressively form the flat steel into the tubular form prior to welding. The breakdown rolls provide the initial circular arc shaping of the strip of steel towards the round form. These rolls are followed or interspersed by idler rolls, which further close and guide the strip of steel into the fin pass rolls. The fin pass rolls press together the top portions of both sides into a tubular configuration. It then provides perfect guidance into the welding section and in addition coins the strip edges to provide the precise circumference.

Classification

4. The Committee is asked to determine whether this machinery presented without welding equipment falls within the scope of heading 84.55, which provides for metal rolling mills and rolls therefor, or within the scope of heading 84.62, which provides for machine tools for bending metals.

Discussion and Analysis

- 5. If presented with welding equipment, we believe that the tube forming machinery would be classifiable under heading 85.15, as machines and apparatus for arc welding. However, there appears to be some confusion among importers as to whether tube forming machinery presented without welding equipment would be classifiable under heading 84.55, or under heading 84.62.
- 6. It has been suggested that the tube forming machinery presented without welding equipment meets the terms of heading 84.55 as metal rolling mills because the operation of forming the metal strips into tubes is performed by a series of rollers.
- 7. However, the United States believes that the Explanatory Notes for both headings 84.55 and 84.62 confirm our understanding of the term "metal rolling mills" and direct classification of this tube forming machinery to heading 84.62 as machine tools for bending metals.
- 8. The Explanatory Notes to 84.55, at page 1369, describes "rolling mills" as:

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"metal working machines consisting essentially of a system of rollers between which the metal is passed; the metal is rolled out or shaped by the pressure exerted by the rollers, and at the same time the rolling modifies the structure of the metal and improves its quality. In some cases, in addition to their normal functions, rolling mills may be used to produce a pattern on the metal surface, or to roll together two or more sheets of different metals to produce a laminated product."

- 9. The Explanatory Notes then provide that other roller machines such as bending, folding, straightening or flattening machines (heading 84.62) are not regarded as rolling mills in the sense described above and are therefore excluded from heading 84.55.
- 10. The Explanatory Note to heading 84.55 further describes the rolling machinery of that heading as machinery with large rollers that rotate a solid billet and heat it and force it over a piercing mandrel, thereby forming a hollow cavity of a seamless tube. The processes described perform a further working of a solid billet by heating it and rolling it. The end result is that the cross-section dimension of the billet is changed. By contrast, the bending process performed on this merchandise does not further work the steel nor change the cross-section dimension of the coiled metal strip. It is not similar to those described in the Explanatory Note. Therefore, we conclude that welded tube mill machinery is precluded from being classified as a metal rolling mill of heading 84.55.
- 11. Heading 84.62 provides for, among other things, "Machine-tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching". The Explanatory Note to heading 84.62, at page 1384, describes bending machines as "[m]achines for working flat products (sheets, plates and strips) which, by passing the products through three or four sets of rollers, give them a cylindrical curve (for this the rollers are parallel as with tube forming machines) or else a conical shape (in which the rollers are not parallel). . . ." As the attached schematic shows, coiled metal strip steel passes through three sets of rollers. After passing through each set of rollers, the steel coil is slowly bent, forming a steel tube ready for welding. Because the welded tube machinery meets the description in the EN to heading 84.62, we conclude that it is classifiable under heading 84.62.

Conclusion

12. As the welded tube mill machinery presented without the welding equipment does not meet the terms of heading 84.55 as a metal rolling mill, we conclude that the machinery is classifiable under heading 84.62, as machine tools for working metal by bending, by operation of GIR 1. The appropriate subheadings would be either subheading 8462.21 or 8462.29, depending on whether the machine tool is numerically controlled.

Appendix

- 13. Overall view and schematic representation of the sequence of operations performed by tube forming machinery from United States Steel, <u>The Making, Shaping and Treating of Steel</u>, pages 1030 to 1031 (William T. Lankford, Jr., Norman L. Samways, Robert F. Craven, Harold E. McGannon, eds., 10th ed. 1985).
- 14. Description and schematic representations of Mannesmann machine piercing a solid billet from United States Steel, <u>The Making, Shaping and Treating of Steel</u>, pages 1036 to 1047 (William T. Lankford, Jr., Norman L. Samways, Robert F. Craven, Harold E. McGannon, eds., 10th ed. 1985).

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