

W ORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

Establishedin 195 2as the Customs Co-operation Council Créée en 195 2s ous le nom de Conseil de coopération chuanière

HARMONIZED SYSTEM COMMITTEE

27th Session

NC0390E1 (+ Annex) O. Eng.

Brussels, 13 March 2001.

AMENDMENT OF THE EXPLANATORY NOTE TO HEADING 84.71 TO DELETE CERTAIN OBSOLETE EQUIPMENT

(Item VIII.7 on Agenda)

Reference documents:

41.348 (HSC/20) 41.591 (HSC/20) 41.600, Annex G/28 (HSC/20 – Report) 42.100, Annex IJ/10 (HSC/21 – Report) 42.448 (HSC/22) NC0160E2, Annex G/17 (HSC/24 – Report) NC0197E1 (HSC/25) NC0249B2, Annex A/XIII (HSC/25 - WP Report) NC0250B2, Annex G/13 (HSC/25 - Report) NC0303E1 (HSC/26) NC0340E2, Annex G/20 (HSC/26 - Report)

I. BACKGROUND

- 1. At its 26th Session, the Harmonized System Committee discussed the possible deletion of certain obsolete equipment referred to in the Explanatory Note to heading 84.71, and related Explanatory Notes to other headings. During the discussions, one delegate expressed his concern about the reference to the processors and coprocessors cited as proposed examples in Item (3) of part (I) (D) of the Explanatory Note to heading 84.71, on page 1406. While supporting this concern, another delegate wondered whether the reference to "magnetic tape transports" in Item (2) of the same part of the Explanatory Note was still valid, since, according to industrial circles in his region, this kind of equipment had become obsolete.
- 2. The Committee decided to retain the reference to floating point processing units, among the examples in Item (3) on page 1406, and to accept the variant proposed by the United States with respect to readers in Part (C) (Item (2)), on page 1408.
- 3. The Committee agreed to provisionally adopt the texts at issue and to place square brackets around the part relating to page 1406 (Doc. NC0340E2, Annex P/15). During the intersession, the Secretariat was requested to make further enquiries regarding additional storage on magnetic tape transports.

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II. SECRETARIAT COMMENTS

- 4. The Secretariat would like to point out first, that it has received, on 21 February 2001, a note from the Customs Administration of the Russian Federation, indicating that that administration agreed with the Secretariat's proposal to delete some of the equipment mentioned in the Explanatory Note to heading 84.71, because it has become obsolete.
- 5. Second, during the 26th Session, the Committee adopted some amendments to the Explanatory Note to heading 84.71, which affect part of the texts under consideration (Doc. NC0340E2, Annexes P/9 and P/10). The Secretariat has taken into account these amendments in the Annex to this document.
- 6. Third, given the decision of the Committee to delete the reference to "card or tape punches" in Part (II) (B), first paragraph, Item (1), of the Explanatory Note to heading 84.71, on page 1407, the Secretariat suggests deleting exclusion (h) of the exclusion paragraph of the Explanatory Note to heading 84.41, on page 1333. An appropriate proposal to that effect has been inserted in the Annex to this document.
- 7. Fourth, at its 23rd Session, the Review Sub-Committee will consider proposals with a view to updating the Explanatory Note to heading 84.71 (see Doc. NC0368E1 Item VI.2 on Agenda). The Committee is requested to take into account the results of that review when considering the current document. If necessary, the Secretariat will prepare a summary document to facilitate discussions.

Magnetic tape transports

8. The Secretariat has gathered some information from the Internet (e.g., "Compaq, StorageWorks: www: europe.digital.com"), which shows that tape storage systems are still on the market. They are mainly used as backup and restore systems. In this connection, the Secretariat would like to point out that the Committee, at its 26th Session, adopted the insertion of "tape autoloaders and libraries" (French version: "les autochargeurs et les bibliothèques à bandes") (Doc. NC0340E2, Annex P/9), which seem to cover the same or similar commodities as those at issue. That being the case, the Secretariat considers that the expression "magnetic tape transports" (French version: "à bandes") could be deleted from Item (2) of the second paragraph of Part (I) (D), on page 1406. The relevant part has been placed in square brackets, pending the outcome of the discussions.

Integrated circuits

9. To clarify the classification of integrated circuits, the Secretariat suggests inserting a new sub-paragraph in Item (3) of the second paragraph of Part (I) (D), on page 1406, with a view to excluding the products of heading 85.42. The text suggested reads as follows: "However, electronic integrated circuits and microassemblies of heading 85.42 are excluded." (French version: "Toutefois, sont exclus les circuits intégrés et les microassemblages électroniques du n° 85.42."). Pending the outcome of the discussions, the proposed amendment has been placed in square brackets.

III. CONCLUSION

10. The Committee is invited to examine the proposed amendments to the Explanatory Note to heading 84.71 and to related headings, as set out in the Annex to this document, taking into account the observations of the Secretariat in paragraphs 4 to 9 above.

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