



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

Established in 1952 as the Customs Co-operation Council
Créée en 1952 sous le nom de Conseil de coopération douanière

HARMONIZED SYSTEM
COMMITTEE
-
23rd Session
-

NC0067E1
(+ Annex)
O. Fr.

H5-12

Brussels, 20 April 1999.

CLASSIFICATION OF A "MARINE LOADING ARM"

(Item IX.34 on Agenda)

I. BACKGROUND

1. In reply to a request from the Administration of Morocco concerning the classification of a "marine loading arm", the Secretariat indicated that it would classify the equipment at issue in subheading 8428.90 as other loading or unloading machinery, by application of General Interpretative Rules 1 and 6. On 18 February 1999, the Secretariat received a Note from the Administration of Morocco asking for this matter to be added to the Agenda for the Harmonized System Committee's next session. An extract of Morocco's Note is reproduced below. An illustration of the loading arm is contained in the Annex hereto.

II. NOTE FROM THE ADMINISTRATION OF MOROCCO

2. "The Administration of Morocco has had occasion to classify equipment invoiced as a "loading arm" in the Harmonized System.
3. The "loading arm" comprises a fixed appliance (neither automotive or self-propelled) to safely transfer dangerous liquids in loading or unloading operations, especially at ports and industrial plants. It does not include a pump.
4. The apparatus contains a piping system fitted with automatic valves, the piping system being manipulated during liquid transfer using a self-contained device (pulleys and handling cables, bracing).
5. The importer feels that :
 - (1) The piping system/automatic valves as a whole should be classified in Harmonized System (HS) subheading 8481.90 (other taps, cocks, valves).
 - (2) The appliance's self-contained manipulation system should be classified in HS subheading 8428.90 (other lifting, handling, loading or unloading machinery,).

File No. 2774

6. This Administration has examined the following classification options, given that the unit is designed to perform a specific function, namely the transfer of dangerous liquids from one recipient to another, using a piping system with articulated joints fitted with automatic safety valves, the piping being moved by a self-contained cable and pulley system linked to a support and counterweight structure. The system does not include any pumps.
7. Note 3 to Section XVI applies in this particular case.
 - (1) Transfer of liquids is not a function mentioned in headings 84.25 to 84.30.
 - (2) The system performs an operation meeting an unspecified individual function, in which case it falls to be classified in heading 84.79.
 - (3) If not, one should examine the classification of the steel piping, which is an essential component of the system. This piping does not include a pump, but contains automatic safety valves controlling the liquid flow and closing and automatically disconnecting the piping in case of malfunction (e.g., if the moorings break). The Explanatory Notes to headings 73.03, 73.04, 73.05 and 73.07 classify in Section XVI tubes, pipes and tube or pipe fittings fitted with parts of machines or apparatus of Section XVI.
8. In this particular case, the piping complete with valves is classifiable in HS heading 84.81, and more specifically in subheading 8481.80.
9. Since headings 84.25 to 84.30 have been ruled out, the choice between heading 84.79 and 84.81 requires application of General Interpretative Rule 3 (c) providing for classification in the heading which occurs last in numerical order among those which equally merit consideration."

III. SECRETARIAT COMMENTS

10. The loading arm is an appliance designed to transfer petroleum or chemical products from a ship to a tank, or vice versa, depending on whether the ship is being loaded or unloaded. The appliance enables liquids to be loaded or unloaded under the best possible safety conditions, as it can adjust to the ship's movements and is fitted with an emergency release system. The system makes it possible to disconnect the loading arm from the ship (PERC) should the latter drift a sufficient distance from a predetermined value, thus preventing damage to the ship and/or the loading arm and all the inherent consequences (pollution, etc.).
11. The pumps which move the product are not part of the loading arm. The latter, when operating, acts as a transfer unit, loading and unloading the product. In response to a Secretariat enquiry, a technical expert with the FMC Corporation confirmed that the valves were not normally part of the loading arm. They were sold as an option, and only performed a secondary function compared with the loading or unloading function. In fact, they merely served to reduce potential pollution risks.
12. The Explanatory Note to heading 84.28 (page 1296) specifies which machines and apparatus are covered by that heading : "With the **exception** of the lifting and handling machinery of **headings 84.25 to 84.27**, this heading covers a wide range of machinery for the mechanical handling of materials, goods, etc. (lifting, conveying, loading, unloading, etc.)."

13. There is nothing in the Explanatory Note to heading 84.28 stipulating that the scope of this heading is limited to lifting and handling machinery for solid materials. Consequently, machinery specially designed for loading or unloading liquids would not be excluded from heading 84.28. In this respect, it should be noted that loading and unloading machinery, etc., is explicitly mentioned in the text of heading 84.28. In the light of the foregoing, it is the Secretariat's opinion that the loading arm is classifiable in subheading 8428.90 by application of General Interpretative Rules 1 and 6. For your information, the equipment at issue cannot be considered a liquid elevator of heading 84.13.

IV. CONCLUSIONS

14. The Committee is invited to rule on the classification of the "loading arm", taking account of the Note from the Administration of Morocco and the Secretariat's comments in paragraphs 2 to 9 and 10 to 13, respectively, and also to decide on further action to be taken with regard to this matter.

x
x x