

# 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

28<sup>th</sup> Session

NC0479E1 (+ Annex) O. Eng.

Brussels, 26 September 2001.

# CLASSIFICATION OF A PASSENGER MOTOR VEHICLE WITH A "HYBRID" POWER SYSTEM

(Item VII.18 on Agenda)

#### Reference documents:

NC0406E1 (HSC/27) NC0430E2, Annex IJ/7 (HSC/27 – Report)

#### I. BACKGROUND

- 1. At its 27<sup>th</sup> Session, the Committee had a preliminary discussion on the classification of the "Toyota Prius" motor vehicle with a "hybrid" power system (with both a "gasoline" engine and an electric motor), as several delegates felt that, although the information available suggested that the motor vehicle at issue was essentially powered by the electric motor, the fact might be just the opposite.
- 2. The Committee agreed to continue its examination of the question at this session. Interested administrations were invited to submit to the Secretariat further information about the motor vehicle with the "hybrid" power system in question.

## II. NOTE FROM JAPAN

- 3. On 11 September 2001, the Secretariat received the following note from Japan, accompanied by certain pages of a brochure on the vehicle concerned.
  - 3.1. "... With respect to the classification of the vehicle with a "hybrid" power system, after consideration with the Ministry concerned and related industries, we would like to provide you with our view as follows.
  - 3.2. Since the vehicle with a "hybrid" power system is mainly powered by the gasoline (spark-ignition internal combustion reciprocating piston) engine during its normal travelling mode and the electric motor supports the gasoline engine to reduce fuel consumption, therefore the essential character of the "hybrid" power system is provided by the gasoline engine, the vehicle with a "hybrid" power system should be classified in subheading 8703.2 by application of GIR 3 (b)...".

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#### III. SECRETARIAT COMMENTS

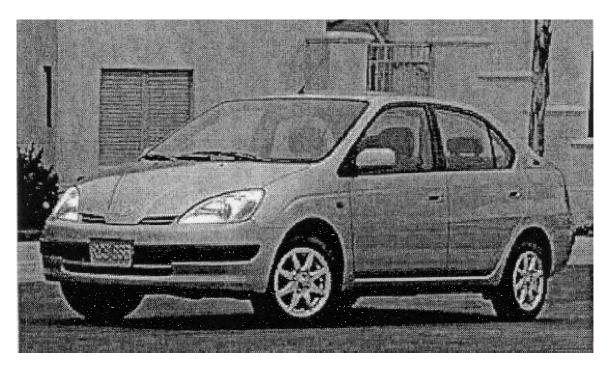
- 4. Although in paragraph 5 of Doc. NC0406E1 it was clarified that the vehicle at issue was a "motor car (voiture de tourisme)", one delegate proposed at the 27<sup>th</sup> Session that, in the document to be prepared for the 28<sup>th</sup> Session, classification of the motor vehicle in question in heading 87.02, 87.03 or 87.04 should be considered.
- 5. A picture of the vehicle and additional information obtained from Japan and the Internet are given in the Annex to this document (full texts will be made available to delegates for consultation during the session). It is clear to the Secretariat that the vehicle is a "motor car" for the transport of five persons (including the driver) classifiable in heading 87.03.
- 6. At the 27<sup>th</sup> Session, there was a tendency in the Committee to classify the motor vehicle at issue in subheading 8703.2. Many delegates pointed out that the "gasoline" engine was more powerful than the electric motor (53kW/rpm vs. 33 kW/rpm maximum output) and powered the vehicle during its normal travelling mode, ran the generator that powered the electric motor, charged the battery and/or ran the air conditioner compressor. By engaging in starting, low speed travelling and stopping, the role of the electric motor was to reduce fuel consumption (thereby increasing the economy and decreasing the quantity of emission gases) and supporting the "gasoline" engine during normal or high speed travelling. Therefore, they felt that the essential character of the "hybrid" power system was provided by the "gasoline" engine.
- 7. In respect of the reasoning behind the classification, while several administrations supported the application of GIRs 3 (a) and 6 since they believed that subheading 8703.2 provided a more specific description than subheading 8703.90, certain others preferred the application of GIRs 3 (b) and 6 because they believed that the essential character of the "hybrid" power system was provided by the "gasoline" engine.
- 8. The Japanese administration applies GIR 3 (b) (see subparagraph 3.2 above).
- 9. Finally, a relevant issue was the desirability of the separate identification of motor vehicles with a "hybrid" power system in the HS. The Committee agreed that this question could be taken up after the classification question was settled.

### IV. CONCLUSION

- 10. On the basis of the information and comments given above and in the Annex, the Committee is invited to :
  - (a) Rule on the classification of the "Toyota Prius" with a "hybrid" power system; and
  - (b) Express its views as to whether such motor vehicles with a "hybrid" power system should be separately identified in the HS 2007.

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# TOYOTA PRIUS



# <u>Additional Information</u>:

Standard seating Number of doors Curb Weight – Automatic (lb.)	5 4 2.765
Wheelbase (in.) Length (in.)169.6	100.4
Width (in.) 66.7 Height (in.) 57.6	
Ground Clearance (in.)	4.9
Passenger volume (cu.ft)	88.6