

W O RLD CUS TO MS O RG ANIZATIO N O RG ANISATIO N MO NDIALE DES DO UANES

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

HARMONIZED SYSTEM COMMITTEE

28th Session

NC0500E1

O. Fr.

H9-3

Brussels, 12 October 2001.

CLASSIFICATION OF THE "PALM VTM"

(Item VII.13 on Agenda)

Documents de référence :

NC0310E1 (HSC/26) NC0340E2, Annex H/6 (HSC/26 - Report) NC0397E1 (HSC/27) NC0430E2, Annex H/14 (HSC/27 - Report) NC0455E1 (HSC/28) NC0498E1 (HSC/28)

I. BACKGROUND

1. After the preparation of Doc. NC0455E1, the Secretariat received from the US Administration the following note concerning the classification of the PALM VTM.

II. NOTE FROM THE UNITED STATES

- 2. "At its last session the Committee had a preliminary discussion on the classification of the Palm V[™] series of hand-held digital machines. These machines are described in Docs. NC0397E1 and NC0417E1. When determining the classification, it is important to note that the Palm V[™] machines consist of the following: CPU, touch-sensitive screen (including a software keyboard), serial port and infrared port for data exchanges, 2MB ROM and 2 or 8 MB RAM, and Palm OS operating system.
- 3. Several questions and concerns were raised during the preliminary discussion of the Palm V^{TM} at the 27^{th} Session (see paragraph 3 of Annex H/14 to Doc. NC00430E2).
- 4. In response to these and other questions, our Administration again reviewed the information and presentation given to the Committee at the 27th Session. Based on this information, we conclude that it has been adequately demonstrated that these machines are able to accept multiple programs (in addition to the programs that are preloaded on the Palm VTM) and that they are also able to be used for writing programs in basic computer programming language. In view of the design and functional capability of these machines,

File No. 2817

our Administration now believes that the Palm V[™] are properly classified in heading 84.71 as automatic data processing (ADP) machines.

5. The questions and concerns raised at the 27th Session address, for the most part, the criteria in Note 5 (A) to Chapter 84. However, before discussing those criteria as they apply to the Palm V[™], we comment on the proposal or notion expressed by one delegate that the following criterion could be used to distinguish these "palm" devices from ADP machines:

"absence of a hard disk (all the programs were installed in the working memory) could serve to distinguish the 'Palm V™' from full size automatic data processing machines because the Palm V™ would lose data in the event of a power or technical failure" (paragraph 2(iii), Annex H/14, Doc. NC0430E2).

- 6. We need only point out that Note 5 (A) to Chapter 84 does not make any distinction between the nature of memory as a criterion. It only requires that the machines have sufficient ability, i.e., memory to store programs and the basic instructions for executing the programs.
- 7. The question presented to the Committee is whether these devices satisfy Note 5 (A) to Chapter 84. If they do, then classification in heading 84.71 is required by application of General Interpretative Rule (GIR) 1. For the following reasons, we conclude that the Palm VTM satisfy the four criteria set out in Note 5 (A).
- 8. The first criterion, that a digital machine be capable of "<u>storing the processing program or programs and at least the data immediately necessary for the execution of the program,</u>" is clearly satisfied. In addition to the basic programs stored in the ROM, other programs can be stored in the RAM. All programs can be executed by data stored in the ROM or RAM.
- 9. The second criterion, that a digital machine be capable of "being freely programmed in accordance with the requirements of the user," has been the focus of attention in the preliminary discussions by this Committee. However, very simply, the user is able to program the Palm V[™] machines by adding any number of hundreds or even thousands of programs written for these machines. A user may also write and compile specific programs with a Palm V[™] by using one of several programming languages (e.g., Pocket C, Quatrus Forth, LispMe). These programs, after being compiled on the Palm V[™] machines, can be executed on demand. As such, the second criterion of Note 5 (A) is satisfied.
- 10. The third criterion and fourth criteria, that digital machines be capable of "performing arithmetical computations specified by the user" and "executing, without human intervention, a processing program which requires them to modify their execution, by logical decision during the processing run," are also satisfied. Because the Palm V™ can be programmed, it is possible to create complex arithmetical computations and to insert logical operations, such as "and," "not," and "or" so that, when compiled, the machines can execute a program without human intervention.
- 11. In summary, after review of the factual information and functional characteristics of the Palm V[™] machines, we conclude that they satisfy the terms heading 84.71 for "automatic data processing machines" as defined in Note 5 (A) to Chapter 84. By application of GIR 1, the Palm V[™] machines are classified in heading 84.71 as ADP machines.

III. CONCLUSION

12.	The Committee is invited to take account of the above comments of the US Administration when examining this Agenda Item.