



HARMONIZED SYSTEM
COMMITTEE

-
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O. Fr.

Brussels, 21 January 2000.

CLASSIFICATION OF THE "COLOR QUICKCAM"

(RESERVATION BY JAPAN)

(Item VIII.5 on Agenda)

Reference documents :

42.081 (HSC/22)
42.750, Annex H/11 (HSC/22 – Report)
NC0051E1 (HSC/23)
NC0087E1 (HSC/23)
NC0160E2, Annex G/19 (HSC/24 – Report)

I. BACKGROUND

1. At its 24th Session (October 1999), the Harmonized System Committee examined the question of the classification of the "Color Quickcam" and decided to classify it in heading 85.25, by 25 votes in favour of that heading and 2 in favour of heading 84.71. The Committee also decided that the diskettes provided with the system were classifiable separately in accordance with Note 6 to Chapter 85 but that the rest of the system should be classified in heading 85.25 as a set put up for retail sale.
2. However, as regards the subheading applicable within heading 85.25, opinions diverged as to whether this apparatus was classifiable in subheading 8525.30 as a "television camera" or in subheading 8525.40 as a "still image video camera".
3. Because there was some doubt as to the exact nature of this apparatus and particularly as to whether or not it could record images, the Committee finally agreed to maintain its decision classifying this apparatus in heading 85.25 but to decide on the classification at subheading level at the present Session on the basis of a new document to be prepared by the Secretariat.
4. In a letter of 10 December 1999, the Japanese Administration notified the Secretary General of its request that the question of the classification of the "Color Quickcam" at 4-digit heading level be referred directly back to the Harmonized System Committee for

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reexamination at its 25th Session, in accordance with the Harmonized System Convention, Article 8, paragraph 2 and Council Decision No. 298, paragraph 2 (a) (ii).

II. DESCRIPTION

Apparatus presented in a box for retail sale, consisting of a digital camera, a rubber camera stand, a manual, a keyboard adapter plug, a cable to connect the camera to a computer, diskettes containing software for capturing still and video images, and a registration card. The camera incorporates an adjustable focus lens, an image capture board with a charge coupled device (CCD), a VIDE C[™] (Video Digitally Enhanced Compression) compression board, and a cable fitted with three plugs. For use, the apparatus must be connected to an automatic data processing machine equipped with the following : 486/66 (or faster) processor, 8 MB of RAM, 2 MB of hard disc space for the digital camera's software, minimum of 5 MB disc space to create videos, and an operating system. The apparatus is used for capturing video or still images, transforming them into digital signals and sending the signals, possibly after compression, directly to a computer where the data can be recorded, reworked, edited, etc. with appropriate software. With this apparatus one can produce videos and still images for a computer system, hold video conferences and produce illustrated documents.

III. COMMENTS BY JAPAN

5. "As stated by the Committee at its last session, the apparatus at issue cannot be classified in subheading 8525.40 as a still image video camera since it has no internal or removal media (built-in memory or diskettes) and, therefore, cannot record still images. Neither is it possible to classify the apparatus in subheading 8525.30 as a TV camera since the image taken by the apparatus cannot be reproduced by mean of an external television receiver.
6. Heading 85.25 covers only three groups of products. The texts of sub-headings 8525.30 and 8525.40 are exactly the same as those of heading 85.25 with regard to the second and the third group, respectively. However, since the first group of the heading covers exclusively transmission apparatus, it is clear that none of the texts covers the apparatus at issue and, therefore, heading 85.25 should be ruled out by virtue of GIR 1.
7. That being case, the apparatus would have to be classified in the residual heading (i.e., heading 85.43), provided that it can be regarded as performing a specific function other than data processing, within the meaning of Note 5 (E) to Chapter 84.
8. However, Japan considers that the apparatus at issue should be classified as an input unit of an ADP machine since it is used only in conjunction with an ADP machine and must be connected to such a machine in order to send image data to it. The apparatus can be considered to be specially designed to input image data to the ADP machine.
9. According to the information set out in paragraph 3 of Doc. NC0051E1, the apparatus at issue has the functions of (i) capturing light images, (ii) converting them to digital electronic signals and (iii) sending them directly to an ADP machine.

10. The first function of the apparatus (i.e., capturing light images) is covered by heading 84.71, in conformity with Note 5 (E) to Chapter 84, as it performs the function of an optical reader which incorporates a photosensitive device to capture characters, given that such devices are referred to on page 1407 of the Explanatory Note to heading 84.71. The second function (i.e., converting light images to digital electric signals) is also covered by this heading since it performs the function of a signal converting unit which, at input, enables an external signal to be understood by the machine (see the Explanatory Note on page 1406, second paragraph, item (5)). The third function (i.e., sending signals directly to an ADP machine) is clearly covered by heading 84.71 by virtue of Note 5 (B)(c) to Chapter 84.
11. In light of the foregoing, Japan believes that the "Color QuickCam" performs no functions other than data processing and, consequently, should be classified in heading 84.71 and more precisely in subheading 8471.60 as an input unit by application of Note (B) to Chapter 84."

IV. SECRETARIAT COMMENTS

Exact nature and function of the apparatus

12. As instructed by the Committee the Secretariat has again contacted the manufacturer and one of its representatives in Europe to obtain further details with regard to this apparatus. At the time of writing, no reply has been received.
13. The Committee's attention is nevertheless drawn to the fact that the information given in Doc. NC0051E1 was obtained from the manufacturer. According to that information, the "Color Quickcam" has no internal or removable media (built-in memory or diskettes) that would enable it to store images or data. As indicated in the box above, the camera's function is to capture light images (still or video), convert them into digital electronic signals by means of the built-in digitalization board and transmit these signals, compressed if necessary (via the camera's compression board) to an automatic data processing machine where these data can be stored or recorded, transformed, reworked, edited, e-mailed, etc. with suitable software. It is worth noting that the penultimate sentence of the text in the box has been amended to describe the camera's function more clearly and avoid any confusion (the original sentence read : "This apparatus is used for sending live video images or still images to computers and editing these images with attached software.").

Classification

14. In the Secretariat's opinion, headings 85.25 (subheadings 8525.30 and 8525.40), 84.71 (subheadings 8471.60 and 8471.90) and 85.43 (subheading 8543.89) are the possible classifications.
15. First of all, the Secretariat points out that it agrees with the Japanese Administration's view that the apparatus could only be classified in heading 85.25 if covered by the text of one or other of its subheadings, given that the 4-digit heading (second and third parts) has the same text as the subheadings concerned (8525.30 and 8525.40) and also the fact that there is no residual subheading.

Heading 8525.30

16. Television is a form of telecommunication in which light images captured by a camera are converted into electrical signals (image signals) which are transmitted, by cable or by radioelectric waves, after amplification and modulation, to receivers incorporating a screen on which the light images are reconstituted. The images are reproduced as and when they are received, or in some cases are recorded with a view to being reproduced later.
17. The question of the scope of heading 8525.30 was considered during the previous HS review cycle following a proposal for separate classification of still image video cameras and other video camera recorders (these discussions led to an amendment to HS heading 85.25 which entered into force in 1996. In particular, it was pointed out that "television" involved the remote transmission of an image and/or sound which was picked up by a suitable receiver. The term "television camera" should therefore be restricted to cameras designed solely for image-taking apparatus designed for remote transmission (Doc. 35.810, Annex I, paras. 81 and 82, HSC/1/Jan. 90).
18. Furthermore, the 1992 version of the Explanatory Notes, in Part (C) of heading 85.25 concerning television cameras, mentioned cameras for underwater use and portable cameras whether or not with built-in recorder for recording images. In the 1996 version of the Explanatory Notes cameras for filming under water were transferred to Part (D) of that Explanatory Note (which corresponds to heading 8525.40) while, at the proposal of the Secretariat, the reference to portable cameras was deleted given that they are now covered by the same part (D) of the Explanatory Note to heading 85.25 (Doc. 36.662, para. 4, HSC/8).
19. Bearing these points in mind, the Secretariat is inclined to agree with the Japanese Administration that the scope of subheading 8525.30 is restricted to true television cameras. The apparatus called "Color QuickCam" is not intended to form part of a television system for remote transmission of images and, moreover, cannot be connected to a television. Accordingly, this subheading should be ruled out.

Subheading 8525.40

20. The fundamental question lies in the interpretation of the expression "still image video cameras" for the application of subheading 8525.40 and in particular as to whether the cameras of this subheading must necessarily contain a built-in recording device.
21. The Grand Larousse Universel defines (1) *video camera* as "a camera that records images on a medium other than photographic, usually magnetic" (translation) and (2) *video* as follows "an application or an apparatus for forming, recording, processing or transmitting images or signals in a bandwidth comparable to that of a TV signal" (translation).
22. The New Shorter Oxford English Dictionary defines these terms as follows : (1) *video camera* : "a camera for recording images on video tape, etc. or for transmitting them to a monitor screen"; (2) *video* : "of or pertaining to the recording, reproducing, or broadcasting of visual images on magnetic tape".
23. At the RSC's 3rd Session (September 1990) it was pointed out that the expression "still video cameras", in isolation, did not necessarily imply that such cameras incorporated recording apparatus (Doc. 36.250, Annex I, para. 128 – RSC/3/Sept. 90).

24. The Committee therefore agreed to use for new subheading 8525.40 the existing text "still image video cameras and other video camera recorders" (appareils de prise de vues fixes vidéo et autres caméscopes), so as to make clear, firstly, that the term "video camera recorders" covered all cameras of this type, whether they recorded moving images or still images, and secondly, that all such equipment was able to record images (Doc. 36.600, Annex E, paras. 20 and 21 – HSC/7/Apr. 91). The Committee also decided to prepare an Explanatory Note clearly indicating that still image video cameras and other video camera recorders consisted of a combination of a video camera and a video recording or reproducing apparatus (EN to heading 85.25, Parts (D), page 1489).
25. From the above it would appear that the Committee intended is to limit the scope of present subheading 8525.40 to cameras combined with a recording device. If the Committee confirms this interpretation, the "Colour QuickCam" is de facto excluded from that subheading, given that it has no internal or removable media (built-in memory or diskettes) that would enable it to store images. Furthermore, it should be borne in mind that this apparatus cannot be connected to a video recording or reproducing apparatus or to a television receiver.

Subheading 8471.60

26. The "Color QuickCam" cannot function unless it is connected to an automatic data processing machine. Furthermore, its function is simply to capture light images, convert them into digital signals and then send the signals to a computer where they are recorded (stored) and processed by means of appropriate software.
27. The Secretariat is still of the view that this apparatus forms part of a data processing system and that it meets the conditions of Note 5 (B) to Chapter 84. Classification in subheading 8471.60 as an input unit for an automatic data processing machine therefore seems to be appropriate. However, the Secretariat concedes that such a classification does not take account of paragraph (E) of the above-mentioned Note 5 and would require confirmation that image capture alone (without recording) is not a specific function other than data processing.

Subheading 8471.90

28. The Japanese Administration takes the view that the primary function of this apparatus (i.e., capturing light images) is the same as that of an optical reader which incorporates a photosensitive device to capture characters and that this function is therefore covered by heading 84.71 in accordance with Note 5 (E) to Chapter 84.
29. Optical readers are classified in heading 84.71 by virtue of the second part of the heading text and are classified in subheading 8471.90 rather than as input units for automatic data processing machines. In this connection it is pointed out that at its 22nd Session the Committee decided to classify in that subheading, as an optical reader, a flatbed desk-top scanner (see Classification Opinion 8471.90/1).
30. The Secretariat leaves it to the Committee to decide whether the function of the "Colour QuickCam" (capturing still images or video images) is comparable to that of the optical readers of heading 84.71 and, if so, whether this element constitutes an argument for classification in subheading 8471.60 as suggested by Japan, or whether classification in subheading 8471.90 is appropriate.

Heading 85.43 (subheading 8543.89)

31. This residual heading, mentioned by the Japanese Administration, would have to be envisaged if the apparatus at issue cannot be classified in any of the above-mentioned headings.

IV. CONCLUSION

32. The Committee is invited to re-examine the classification of the "Color QuickCam" apparatus, taking account of the arguments put forward by the Administration of Japan in support of its reservation, and also the comments made by the Secretariat.
