



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
24th Session
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NR0181E1
(+ Annex)
O. Eng.

Brussels, 25 July 2001.

PROPOSAL BY THE US ADMINISTRATION TO AMEND CERTAIN

SUBHEADINGS OF HEADING 87.08

(Item III.A.13 on Agenda)

Reference documents :

NR0159E1 (RSC/23)
NR0165E2 Annex D/8 (RSC/23 – Report)

I. BACKGROUND

1. The Sub-Committee at its 23rd Session had a preliminary discussion on a proposal by the US Administration to amend certain subheadings of heading 87.08.
2. In principle, there was no objection to the proposal.
3. Subject to certain editorial comments (i.e., replacement of the term “mufflers” in the English version of the proposed text of subheading 8708.92 with the expression “silencers (mufflers)”; insertion of the term “(airbags)” in the French version of the proposed text of new subheading 8708.95), the Sub-Committee agreed to continue discussion of this agenda item at its next session.

II. SECRETARIAT COMMENTS

4. On the basis of the Sub-Committee's preliminary discussions, the Secretariat has drafted the necessary amendments to the Nomenclature.
5. Since the US proposal entails modifications to 9 out of 15 subheadings of heading 87.08, the Secretariat found it practical to modify the structure of subheadings 8708.2 to 8708.99 in a single set of amendments. The texts drafted are set out in the Annex to this document.

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6. As regards the US proposal for combining “drive-axles” (subheading 8708.50) and “non-driving axles” (subheading 8708.60) in a single subheading (8708.50), the Secretariat would like to draw the attention of the Sub-Committee to the following points :
7. First, “drive-axles” (subheading 8708.50) and “non-driving axles” (subheading 8708.60) are already separately provided for in 5-digit level subheadings in the present (as well as the 2002) Harmonized System. Since all 5-digit level subheadings under heading 87.08 for the time being are occupied by separate groups of parts and accessories of the motor vehicles of headings 87.01 to 87.05, the Sub-Committee is invited to clarify whether, in the 2007 version of the Harmonized System, subheading number 8708.50 could be used to cover the scope of present subheadings 8708.50 and 8708.60.
8. Second, present subheading 8708.50 covers “drive axles with differential, whether or not provided with other transmission components”. However, the text proposed by the US for new subheading 8708.50 “Axles (driving or non-driving types), whether or not incorporating a differential; parts thereof” does not make any reference to the expression “whether or not provided with other transmission components”.
9. Therefore, the Sub-Committee is requested to clarify whether the expression “parts thereof” at the end of the new text of subheading 8708.50 would be sufficient to cover the expression “whether or not provided with other transmission components” in the present text.
10. Due to this concern, the Secretariat has drafted a new text as an alternative to the new US text (based on the present texts of the two subheadings concerned) and placed both texts in square brackets.
11. Once the amendments to the Nomenclature are agreed, the corresponding amendments to the Explanatory Notes will be presented to the next session of the Sub-Committee in line with the new page numbering of the 2002 version of the Explanatory Notes.

III. CONCLUSIONS

12. Taking into account the comments by the Secretariat, the Sub-Committee is invited to re-examine the US proposal for amendments to certain subheadings of heading 87.08.
13. The Sub-Committee is, in particular, requested to respond to the questions of :
 - (a) Whether present subheading number 8708.50 could be used to cover the scope of present subheadings 8708.50 and 8708.60 in the 2007 version of the Nomenclature (see paragraphs 6 and 7 above); and
 - (b) Whether the expression “parts thereof” at the end of the new text of subheading 8708.50 covers the expression “whether or not provided with other transmission components” (see paragraphs 6 and 8 to 10 above).

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