



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0382E1
(+ Annex)

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27th Session
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O. Eng.

Brussels, 12 February 2003.

POSSIBLE AMENDMENTS TO THE STRUCTURED NOMENCLATURE TO HEADING 90.30

(PROPOSAL BY THE US ADMINISTRATION)

(Item III.A.17 on Agenda)

Reference documents :

NR0252E1 (RSC/25)
NR0290E1 (RSC/26)
NR0332E3, Annex C/19 (RSC/26 – Report)

NR0265E3, Annex D/11 (RSC/25 - Report)
NR0321E1 (RSC/26)

I. BACKGROUND

1. At its 26th Session, the Sub-Committee concluded discussions on this agenda item by agreeing that the US Administration, based on the following discussion (taken from Annex C/19 to Doc. NR0332E3), would reconsider its proposal for the next session of the RSC :
2. The US Delegate began the discussion on this agenda item by explaining his administration's rationale for its proposal. He acknowledged that the affected categories represented sizeable amounts of trade. However, he stressed that the proposal was not based on trade volumes but, rather, reflected the views of trade and industry representatives who had urged the US Administration to seek this change in the Nomenclature. According to industry sources the current distinction based on recording ability was becoming less important in an automated environment where measurements were not recorded inside the measuring device but instead were transmitted by the measuring device to a remote computer, where they were recorded and analysed.
3. His administration considered the functional design of the apparatus as being more important to the users of the information than whether it included a recording feature. Furthermore, the continued existence of subheading 9030.83 caused many instruments for measuring or checking voltage, current, resistance or power to be grouped together with
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instruments for measuring or checking other electrical quantities, merely because they included a recording function. It was the view of both his administration and the trade that complete coverage for all instruments and apparatus for measuring or checking voltage, current, resistance or power should be provided in subheading 9030.3.

4. The **EC** Delegate expressed the opinion that it was not desirable to delete subheading 9030.83, because the volume of trade warranted its retention. In the **EC**'s view, such a deletion would not lead to a modernisation of the Nomenclature. There were two distinct product categories – those products which recorded information by their own internal memory and those products which did not record at all or used an external device to record. In either case, it was possible to gather relevant statistics and each product category had significant trade volumes.
5. As a compromise, the Chairperson suggested the deletion from subheading 9030.3 of the phrase “without a recording device”, while retaining subheading 9030.83.
6. The Director summarised his understanding of the **US** proposal by indicating that he felt the **US** wanted to provide at the one-dash level for all instruments and apparatus for measuring or checking voltage, current, resistance or power. In his view, it would then be possible to subdivide at the two-dash level in order to provide for the presence or absence of a recording device. This proposal received support from one administration.
7. On 24 January 2003, the Secretariat received the following note from the **US** Administration.

II. NOTE FROM THE **US** ADMINISTRATION

8. “The **US** Administration submits comments on matters that are scheduled for continuation of discussion during the 27th Session of the Review Sub-Committee and its Working Party.

US Proposal to Amend Heading 90.30 (WCO Doc. NR0252E1, NR0290E1, NR0321E1 and RSC/26 Summary Record)

9. The **US** proposes to remove references to the presence or absence of a recording device in descriptions for subheading 9030.3 and to delete subheading 9030.83. The **EC** delegation noted the substantial trade volume in products with recording device and in products without recording device. The **US** was invited to reconsider its proposal and to suggest alternative possibilities.
10. In our view, the original distinction between products with self-contained recording capability and those without such capability was useful at the time because until recently there was no methodology for inexpensively maintaining records of measurements at a remote location. Until automated data processing, there were two methods of obtaining records over time of the readings of electrical phenomena from the products of heading 90.30 : some apparatus contained internal recording apparatus which could be read periodically; other apparatus had no recording ability and therefore had to be constantly monitored and the readings recorded manually on paper records. Because of the inconvenience and cost of constant monitoring, establishments that could purchase self-recording devices would do so.

11. With the development of inexpensive digital communications equipment and low-cost small computers, the industry began to incorporate communications links within many of the non-recording measuring devices of this heading. With these communications capabilities, many measuring devices can be monitored from a single location and their readings can be tracked over time without the need for people to move from one device to another. Of course, the ultimate application of such technology is in process control applications, in which an entire portion of a manufacturing process can be controlled from a single location. However, even within the non-controlling products of heading 90.30, remote recording is becoming very important.
12. What we now see, therefore, are three kinds of devices in this heading : devices that neither record nor transmit data, devices that transmit data continuously, and devices that maintain records of measured values internally. Unfortunately, subheading 9030.83 groups the first two categories together – a statistically useless combination of products which are not used in record-keeping environments with products that are used in environments where records must be kept. It combines apparatus that must be constantly monitored in person with some of the devices that are not monitored constantly in person.
13. In consulting with the trade we learned that their preferred solution to the statistical anomaly that has developed in the HS was to simply combine recording apparatus with all the other apparatus. That is why we continue to urge the Sub-Committee to endorse our proposal to eliminate the distinction between apparatus of this heading that keep internal records and those that do not.”

III. CONCLUSION

14. The Sub-Committee is invited to take account of the comments made by the **US** Administration when it examines this agenda item.

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US proposal reproduced from Doc. NR0252E1

2. “The **United States** submits the following proposals regarding heading 90.30.

Subheading 9030.20 : Elimination of references to cathode-ray technology

Subheading 9030.20

3. Replace the description for current subheading 9030.20 with :

“Oscilloscopes and oscillographs”.

4. The current text of subheading 9030.20 refers only to oscilloscopes and oscillographs incorporating cathode-ray tubes. The subheading does not cover oscilloscopes and oscillographs that incorporate the newer flat panel displays.

5. When the current text was developed, there was only one commercially marketable display device for these products : the cathode-ray tube (CRT). As a result of the evolution in imaging technology, CRTs are being replaced by flat panel displays in many applications, including oscilloscopes and oscillographs. One prominent manufacturer of these products has informed us that flat panel displays are already incorporated in 20 percent of the oscilloscopes they produce and the proportion is increasing.

6. The reference to “cathode-ray” oscilloscopes and oscillographs now has the unintended effect of limiting subheading 9030.20 to equipment that incorporates a particular type of display. Deletion of the reference to “cathode-ray” from the text will allow the subheading to capture oscilloscopes and oscillographs that incorporate any type of display.

Subheadings 9030.3 and 9030.83 : Elimination of distinction based on recording ability

Subheading 9030.3

7. Replace the description for this subheading with :

“Other instruments and apparatus, for measuring or checking voltage, current, resistance or power”.

Subheading 9030.83

8. Delete this subheading.

9. We propose to delete the reference to recording devices in heading 90.30, specifically by removing “without a recording device” from the description of subheading 9030.3 and by deleting subheading 9030.83.

10. The vast majority of instruments of heading 90.30 that are used for measuring or checking voltage, current, resistance and/or power, do *not*, in fact, contain a recording device. These instruments are generally handheld and would not typically contain an internal storage unit, flash memory card, etc. Where recording of data is desirable, it is becoming

increasingly common to transmit measurements directly from the measuring device to a computer or other recording machine through a communications link.

11. We feel that grouping together all instruments and apparatus that measure and check similar phenomena will yield more useful statistics. Such apparatus with a recording function are typically traded by the same establishments that trade in those without such functions.
12. Furthermore, including the phrase “without a recording device” in subheading 9030.3 results in a burden on Customs officers to ascertain whether the particular instrument presented includes a recording device. Because only a few instruments of this type include a recording device, this burden seems unwarranted.
13. With our proposed revision of subheading 9030.3 and the deletion of subheading 9030.83, “Other, with a recording device” such products would fall in the respective subheadings of heading 90.30 describing kinds of apparatus, and in the residual category, subheading 9030.89. For example, subheading 9030.2 covers certain oscilloscopes and oscillographs. Subheading 9030.4 covers instruments designed for telecommunications. Subheading 9030.82 covers instruments for measuring or checking semiconductor wafers or devices.”
