



HARMONIZED SYSTEM  
REVIEW SUB-COMMITTEE

-  
23<sup>rd</sup> Session  
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NR0158E1  
(+ Annex)

O. Eng.

Brussels, 22 February 2001.

PROPOSAL BY THE US ADMINISTRATION TO AMEND THE NOMENCLATURE  
AND EXPLANATORY NOTE TO HEADING 85.19  
(Item III. B.7 on Agenda)

Reference Document :

NR0149E1

I. INTRODUCTION

1. The Secretariat received, on 16 February 2001, proposals on Chapter 85 from the US Administration. The proposals are reproduced in the Annex to this document.

II. SECRETARIAT COMMENTS

2. Due to the recent arrival of the proposals, the Secretariat considers that it would be appropriate to have a preliminary discussion only at the 23<sup>rd</sup> Session of the Review Sub-Committee.
3. The Secretariat would like to draw the Committee's attention to document NR0149E1, which proposes amendments to the texts of heading 85.19. In the Secretariat's view, some of the products mentioned in that heading text (e.g., "record players" and "turntables") are completely obsolete. We do not think it is necessary to mention that apparatus in the text of heading 85.19. The same applies to the proposed suppression of the subheading concerning "coin- or disc- operated record players". The Secretariat noticed that the volume of trade in that apparatus is decreasing every year and feels that there is no reason to maintain a specific subheading (see the Annex to Doc. NR0149E1 for the trade statistics).

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III. CONCLUSION

4. The Sub-Committee is invited to examine the proposals from the US Administration taking into account the comments by the Secretariat in paragraphs 2 and 3 above and in Doc. NR0149E1.

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**US Proposal to Amend the Nomenclature and Explanatory Note concerning  
HS heading 85.19**

1. The United States submits the following proposed modifications to the structured nomenclature of heading 85.19. Changes in technology have caused the HS to be seriously out of date in this product area; our proposals will make the HS more current and provide a framework for future changes in technology and patterns of trade.

Subheading 8519.10.

2. Delete and replace with the following :

“8519.50 - Sound reproducing apparatus, operated by coins, banknotes (paper currency), tokens or other similar articles”

Subheadings 8519.21 through 8519.39.

3. Delete and replace with the following :

“8519.60 - Record players, other than those of subheading 8519.50, and turntables (record-decks)”

Subheading 8519.40 (transcribing machines).

4. Delete.

Subheadings 8519.92, 8519.93 and 8519.99.

5. Delete and replace with the following :

“8519.70 - Cassette-players  
8519.80 - Compact disc players and other players incorporating a laser optical reading system  
8519.90 - Other”

Explanation

6. The proposed modification to subheading **8519.10** responds to the fact that, as with all record players, coin-operated record players have generally been replaced by compact disc (CD) players, which are not covered by the current subheading text. The removal of a reference to a specific reproduction technology, i.e., phonograph records, allows the proposed text to capture these new products and future technologies for sound reproduction.
7. Our proposed text for this subheading also incorporates language adopted by the WCO in the Recommendation of 25 June 1999 for subheading 9504.30. However, we have substituted the word “token” for “disc” to reflect more current terminology and technologies and to avoid confusion with CD audio discs. We recommend making the same change to the English version of subheading 9504.30; we ask French –speaking administrations whether they feel that “jeton” can be maintained in the French version.

8. The proposed single subheading for record players and turntables (**8519.60**) responds to the fact that there has been a steady decline in the trade in these goods since the introduction of compact discs (CDs). In 1999, US combined imports and exports for the proposed subheading were \$64 million. While sufficient to justify a single subheading, that trade does not justify the current four subheadings.
  9. The deletion of subheading **8519.40** is justified since it has minimal trade. In 1999, US combined imports and exports were only \$6 million.
  10. Proposed subheading **8519.70** would combine the products which are currently provided for in subheadings 8519.92 and 8519.93. Since the advent of the CD player, trade in pocket-sized cassette-players (subheading 8519.92) has been steadily declining to the point where it now longer justifies a separate subheading in the HS. Proposed subheading 8519.70 would combine the pocket-sized cassette-players with other cassette-players. In 1999, U.S. combined imports and exports for subheading 8519.92 were only \$13 million. On the other hand, U.S. trade in the proposed subheading was \$198 million in 1999.
  11. Proposed subheading **8519.80** would provide for the rapidly expanding market in compact disc (CD) players. Trade in CD players now accounts for the majority of trade in the entire heading. The reference to “other players incorporating a laser optical reading system” would allow for digital versatile disk (DVD) or other future technologies based on lasers, as well as, players which read MP3 compressed digital sound files recorded on CD-Rs. In 1999, US combined imports and exports for proposed subheading 8519.80 were estimated at \$1,995 million.
  12. The residual subheading in our proposal (**8519.90**) would capture, among other things, sound reproducing which use solid-state memory devices as the storage medium for MP3 compressed digital sound files. In 1999, U.S. combined imports and exports for proposed subheading 8519.90 were estimated at \$95 million.
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