



HARMONIZED SYSTEM
COMMITTEE

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O. Eng.

Brussels, 22 October 2001.

CLASSIFICATION OF A PASSENGER MOTOR VEHICLE
WITH A "HYBRID" POWER SYSTEM
(Item VII.18 on Agenda)

Reference documents :

NC0406E1 (HSC/27)
NC0430E2, Annex IJ/7 (HSC/27 – Report)
NC0479E1 (HSC/28)

I. BACKGROUND

1. On 16 October 2001 the Secretariat received a note from the US Customs Administration, providing comments on the classification of a passenger motor vehicle with a "hybrid" power system. Due to its late submission and the length of the background description of this agenda item and the description of the vehicle at issue, the Secretariat found it appropriate to only publish refer to the following part thereof with a view to publishing this document before the plenary session of the Committee.

II. NOTE FROM THE US ADMINISTRATION

"... Classification

2. The Committee is asked to determine whether the "Toyota Prius", a motor vehicle principally designed for the transport of persons, falls within the scope of subheading 8703.2x, which provides for motor vehicles principally designed for the transport of persons with a spark-ignition internal combustion reciprocating piston engine, depending upon the cylinder capacity, or within the scope of subheading 8703.90, which provides for other motor vehicles principally designed for the transport of persons.

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Discussion and Analysis

3. The competing subheadings are subheading 8703.2x, which provides for "other vehicles, **with** spark-ignition internal combustion reciprocating piston engine," and subheading 8703.90 which provides for "other [than vehicles of 8703.10, 8703.2x, or 8703.3x]" (emphasis added). The Prius is a motor vehicle with a spark-ignition internal combustion reciprocating piston engine and with an electric motor. Although the Prius is powered by two different sources, working either separately or together, we note that the legal text for subheading 8703.2x, only requires the presence of a spark-ignition internal combustion reciprocating piston engine. There is nothing in the legal text to suggest that the presence of a second source of power precludes classification within this subheading. In short, a hybrid powered vehicle, which is a vehicle with a spark-ignition internal combustion reciprocating piston engine, satisfies the terms of subheading 8703.2x.
4. Consideration of GIR 3 is not necessary because the merchandise meets all of the terms of subheading 8703.2x. Therefore, we conclude that consideration of the residual provision within heading 87.03 is not applicable.

Conclusion

5. The United States concludes that motor vehicles containing a "hybrid" power system, consisting of a spark-ignition internal combustion reciprocating piston engine and electric motor that are able to work both separately and in combination with each other, are classifiable under subheading 8703.2x by application of GIR 1 and 6...".

III. CONCLUSION

6. The Committee is invited to take into consideration the comments of the US Customs Administration, reproduced in paragraphs 2 to 5 above, when considering this agenda item.
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