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O. Eng.

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COMPREHENSIVE REVIEW OF THE EXPLANATORY NOTES

POSSIBLE AMENDMENT OF THE EXPLANATORY NOTES

TO HEADINGS 84.32 TO 84.73

(Item III.C.12 on Agenda)

I. BACKGROUND

1. At its 23rd Session (March 2001), the Review Sub-Committee discussed the issue of the comprehensive review of the HS Explanatory Notes, taking into account the points raised by the Secretariat in Doc. NR0150E1, in particular the scope of the updating of the existing Explanatory Notes, by :
 - Deleting references to obsolete products and technology,
 - Substituting references to current products and technology,
 - Restructuring the Notes to make them easier to understand, and
 - Supplementing the Notes to make them more complete.
2. In accordance with these discussions, amendments to the Explanatory Notes to headings 84.32 to 84.73 have been prepared as a joint proposal from the Secretariat and an officer of the ~~Swiss~~ Administration.
3. The ~~Swiss~~ "Explanatory Memorandum" and the Secretariat's own proposals (in bold) are reproduced below.

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II. SECRETARIAT COMMENTS

4. The proposed amendments are set out in the Annex to this document. In this context, the Secretariat would like to clarify that only those parts of the Explanatory Notes (ENs) have been reproduced which are affected by the amendments. Proposed deletions are indicated by “strikethrough” text, whereas new texts are indicated by underlining. Throughout the recommended amendments to the ENs, when a new numbered or lettered paragraph was added the remaining paragraphs in the sequence were consequently renumbered or re-lettered.

Explanatory comments for each heading

Heading 84.32

5. No changes are recommended.

Heading 84.33

6. There is a typing error concerning the exclusions on page 1479. The Committee agreed, at its 29th Session (see the reference under heading 84.69 of this document), that a similar error could be corrected in the next Amending Supplement. The Secretariat will be preparing a document for the next HSC meeting containing any additional errors it has found of a “substantial” nature and this correction will be included in that document.

Heading 84.34

7. A description of milking robots is added (Part (I)). In addition, Part (II), item (B) is deleted. Dairy industry experts say that UV light can transform cholesterol into vitamin D; however, to their knowledge, UV irradiators are not used in dairies and should therefore be deleted.
8. In industrial production churns are rotated by motor power and the barrel is made of stainless steel, it was therefore recommended to amend the text accordingly (Part (III), item (A) (1). Butter-workers are not used in modern dairies and should therefore be deleted (Part (III), item (A) (2). It was indicated, however, that there exist machines for working butter that was previously frozen and stocked. As the experts could not confirm whether these machines were marketed or whether they were referred to as “re-workers”, nothing was recommended with respect to the ENs. The description of combined churns and workers was updated (Part (III), item (A) (3).

Heading 84.35

9. No changes are recommended.

Heading 84.36

10. Industry experts believed that germination appliances cannot be considered as appliances for preparing fodder. Consequently, germination appliances are relettered from Part (I), Item (E) (8) to item (I).

11. Incubators and hatchers are marketed as two different categories of poultry-keeping machines. Consequently, it is suggested that a new item (B) be inserted to provide for hatchers. According to a ~~Swedish~~ veterinarian, poultry pluckers cannot be considered as poultry-keeping machines. Moreover, the automatic poultry pluckers of heading 84.36 are very rare (probably 0,1 % of all poultry pluckers). As a result, it would appear reasonable to delete them on the understanding that they belong under heading 84.38. A new item (F) was added to provide for sexing and vaccination equipment. The manufacturer of this equipment (**Pas Reformer Hatchery Technologies, The Netherlands**) consider it as a poultry-keeping machine. Although the equipment is fitted with canulas, the manufacturer does not regard it as an instrument used in veterinary sciences. As this opinion was also shared by a **Swedish** expert, a text was prepared for this new item under heading 84.36. According to the **Dutch** manufacturer (see above), it would appear that chick counting and boxing systems are important in international trade. Moreover, these machines are considered to be handling machines and, therefore, an exclusion paragraph was added to the Explanatory Note to heading 84.36.

12. **Given the statement in paragraph 10 concerning the “automatic poultry pluckers” being classifiable in heading 84.38, the Secretariat wonders whether the deletion should be followed by an inclusion in that heading or, considering the rareness of the product, it should not be mentioned at all in the Explanatory Notes.**

Headings 84.37 and 84.38

13. No changes are recommended.

Heading 84.39

14. The last sentence in paragraph (I) (E), referring to drive motors, is added to make clear that there exist two groups of refiners (cf. item (I) (A) (7)). Obsolete items were deleted. Modern Fourdrinier wires are made of textile material (confirmed by a **Swedish** manufacturer of such articles), the question therefore is whether the exclusion of Fourdrinier wires of copper or bronze (heading 74.14) should be deleted (insignificant trade). Fourdrinier wires made of copper or bronze are no longer a typical example of the products covered by heading 74.14 (confirmed by a **Swedish** manufacturer of cloth made of copper wire), consequently, the second paragraph of Explanatory Note to heading 74.14 should be amended.

15. **The Secretariat would note that the term "reeling" is used extensively in the Explanatory Notes in the textile area. Moreover, it is named in the text of heading 84.45. Given this situation, the Secretariat wonders about the appropriateness of substituting the term "reeling machines" with "winders and rewinders". However, if the Sub-Committee agrees with this amendment, then the Secretariat wonders whether, for consistency, a similar substitution should be made in Part (II), Item (A), in the last sentence where “reeling devices” are listed.**

16. **The Secretariat has added, for the Sub-Committee’s examination, the following additional deletions :**

- **Exclusion Page 1497, (a), "esparto grass" and**

- **Second paragraph of the “PARTS” Section, “Toothed cylinders for esparto grass openers”.**

Heading 84.40

17. No changes are recommended.

Heading 84.41

18. Heading 84.41 was amended to align on the numerical order of the subheadings. In addition, present exclusions (c), (d) and (f) were deleted (obsolete).

Heading 84.42

19. No changes are recommended.

Heading 84.43

20. **The Secretariat would draw the Sub-Committee’s attention to the fact that exclusion (d) to heading 84.41 was deleted (see above) as being obsolete. The Secretariat has noted that the corresponding deletion was not made for platen presses covered by this exclusionary note in heading 84.43. Consequently, the Secretariat has added this amendment to the Annex.**

Heading 84.45

21. Cotton openers are recommended to be deleted and new items (5) to (7) in Part (E) are to be inserted.

Heading 84.46

22. It is recommended that circular box motions and drop box motions be deleted.

Heading 84.47

23. Part (A) was realigned on the numerical order of the subheadings. Roller machines, lever machines and Nottingham lace were deleted (obsolete). In addition, hand embroidery machines were added.

Heading 84.48

24. Jacquard card punching machines were deleted (obsolete). As a result, editorial amendments were made (Renumbered items due to deleted item (5), see previous entry). “Flat healds” were added; exclusion (a) (perforated cards), was deleted; and new exclusion (d) (recorded media for controlling Jacquard or similar machines) was added.

25. In heading 84.46, it is recommended that circular box motions and drop box motions be deleted. Consistent with this change, the Secretariat believes that item (7) in Part (A) to heading 84.48 should also be deleted. Consequently, the Secretariat has added this amendment to the Annex.

Headings 84.49 to 84.52

26. No changes are recommended.

Heading 84.53

27. A reference to “chrome recovery plants” should be inserted in the Explanatory Note to heading 84.53. This equipment is currently used in tanneries for environmental protection. According to a ~~Swedish~~ expert, this protection is cost-free due to the fact that the recovered chrome can be reused in the tanning process. To determine the nature and the classification of the equipment, he suggested that the German manufacturer of tanning equipment, Dose Maschinenbau GmbH, be consulted. However, it turned out that the chrome recovery plants were manufactured in ~~Italy~~ by the firm Italprogetti. I was informed that the chrome recovery plant performs an individual function that does not form an integral part of the tanning process. The chrome recovery process does not lead to the filtering or purifying of liquids. The only aim of the process is to recover chrome. No brochure was provided. From information on the Internet, it would appear that chrome recovery plants essentially incorporate pumps, filters and tanks. Based on the information from the manufacturer, it would appear that the chrome recovery plant is classifiable in heading 84.79, given that it cannot be considered as “machinery for preparing, tanning or working hides, skins or leather” (84.53) nor as “filtering or purifying machinery” (84.21). Consequently, a new item (III) (32) was prepared for the Explanatory Note to heading 84.79, and an exclusion was prepared for the Explanatory Note to heading 84.53. **The Secretariat thinks it would be advisable to have this product classified by the Committee before inserting a reference in the Explanatory Notes.**
28. Referring to Part (II), item (D), “prickling machines”, item (E) (4), “filling machines” and item (E) (5), “machines for tackling on the welt”, references to these machines were deleted (obsolete). A new item (7), “roughening machines” was added. The remaining changes were made to three items because of updating in relation to current technology.

Heading 84.54

29. An industry expert indicated that “Kaldo converters” disappeared from the market about 25 years ago. Consequently, it is recommended to delete this reference. At the same time, it was suggested that a reference to OBM-converters be inserted in the ENs. The Review Sub-Committee should be aware that a new type of casting machine, used in metallurgy, is currently being introduced. However, since these machines are hardly traded today, it would be premature to describe them in the ENs. The ENs should be updated when the technique is finally established, probably after two or three years (2004 – 2005). At that time a new item (D) (5) would merit consideration.

Headings 84.55 to 84.57

30. No changes are recommended.

Heading 84.58

31. The possible updating was limited to the Subheading Explanatory Note to subheadings 8458.11 and 8458.91 (numerically controlled machine-tools), in order to cover all numerically controlled machine-tools for removing metal, given that this Subheading Explanatory Note is also valid for machine-tools of headings 84.59 and 84.60. Industry experts explained that the present text is too detailed and, therefore, is not correct with respect to certain numerically controlled machine-tools of headings 84.58 – 84.60. The fact that the recommended new text does not cover the early types of numerically controlled machine-tools, i.e., those machines that were manufactured in the years between 1960 and 1970, should not disqualify the proposed text, given that the early machines can only be of historical interest.

Heading 84.59

32. Heading 84.59 was amended to align on the numerical order of the subheadings.

Headings 84.60 to 84.64

33. No changes are recommended.

Heading 84.65

34. It was recommended by the pertinent expert to delete “joiner’s saws” and to insert “sliding table saws” (many references to this category were found on the Internet). It was also recommended to mention CNC (Computer Numerical Control) milling machines in item (A) (3), and CNC drilling machines in the item for drilling machines, renumbered as item (8). CNC work centres for working wood are in principle similar to the machining centres of heading 84.57, the difference between the two categories being principally related to the fact that wood is softer than metal and that, consequently, greater speeds can be used by wood working machines. The description of the CNC work centre is based on EN to heading 84.57 regarding the machining centres. As CNC work centres can be considered most akin to milling machines, it is suggested that they be numbered as new item (4).

Headings 84.66 and 84.67

35. No changes are recommended.

Heading 84.68

36. An editorial/updating amendment is recommended by an industry expert.

Heading 84.69

37. There is a typing error concerning the exclusions on page 1479. As agreed upon by the Committee at its 29th Session, this will be corrected in the next Amending Supplement. For convenience, it is noted in the Annex.

Heading 84.70

38. An amendment is suggested, based on Classification Opinion 8470.50/1, in order to clarify the existing text.

Heading 84.71

39. As subheading 8471.10 (Analogue or hybrid automatic data processing machines) still exists in HS 2002, it would appear premature to delete item (I) (B) and (C), referring, respectively, to analogue machines and hybrid machines. Such a deletion would have to wait for an amendment to the HS (possibly 2007). At such time, a possible deletion of references to the word "digital" wherever it appears could be contemplated.

Heading 84.72

40. It might be argued that duplicating machines of the hectograph type and stencil duplicating machines are obsolete and should, therefore, be deleted; however, they still exist in subheading 8472.10. Therefore, it would appear that their deletion will have to wait for a new version of the HS, possibly HS 2007.
41. New item (21), automatic change dispensers, is added, based on Classification Opinion 8472.90/1 and new item (22), machines for sorting and collating documents, are added.

Heading 84.73

42. No changes are recommended.

III. CONCLUSION

43. The Sub-Committee is invited to examine the draft amendments to the Explanatory Notes to headings 84.32 to 84.73, as set out in the Annex to this document, as well as the paragraph to include definitions of the terms "analogue" and "digital" mentioned in paragraph 5 above.

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