



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
23rd Session
-

NR0159E1
(+ Annex)

O. Eng.

Brussels, 21 February 2001.

PROPOSAL BY THE US ADMINISTRATION TO AMEND CERTAIN
SUBHEADINGS OF HEADING 87.08
(Item III.B.8 on Agenda)

I. BACKGROUND

1. The Secretariat received, on 16 February 2001, proposals for the amendment of certain subheadings of heading 87.08 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 23rd Session of the Review Sub-Committee.

III. CONCLUSION

3. The Sub-Committee is invited to examine the proposals from the US Administration, taking into account the comments by the Secretariat in paragraph 2 above.

* * *

File No. 2846

US Proposals to Amend Certain Subheadings of Heading 87.08

At the request of the Association of International Automobile Manufacturers, the US Administration proposes amendments to several subheadings of HS heading 87.08. In general, the purpose of these proposals is to simplify the administration of these subheadings by combining certain automotive parts and accessories with their own parts in the same 6-digit subheading or by deleting the distinction between certain subheadings. These proposals, along with explanatory information, are set out below.

Heading 87.08.

1. Subheading 8708.21.

Delete and substitute :

“8708.22 -- Safety seat belts and parts thereof”

Explanation : As a practical matter, safety seat belts for motor vehicles are often imported in their component parts. This results in classification of whole seat belt assemblies in present subheading 8708.21 and classification of component parts of those same seat belt assemblies in subheading 8708.29. The purpose of this proposal is to simplify the operation of the HS by inserting a new subheading to cover both the whole seat belt assembly and its component parts.

2. Subheadings 8708.31 and 8708.39.

Delete and substitute :

“8708.30 - Brakes and servo-brakes and parts thereof”

Explanation : AIAM sees no need to distinguish between “mounted brake linings” (8708.31) and “other” (8708.39).

3. Subheading 8708.40. Subheading text.

Delete and substitute :

“Gear boxes and parts thereof”

Explanation : The distinction between “gearboxes” and “parts” is not clear for purposes of classification.

4. Subheadings 8708.50 and 8708.60.

Delete and substitute :

“8708.50 - Axles (driving or non-driving types), whether or not incorporating a differential; parts thereof”

Explanation : In today’s marketplace, more and more vehicles are equipped with part-time 4-wheel drive (4WD) or full-time 4WD. Further, some 2-wheel drive (2WD) vehicles

are front-wheel drive and some are rear-wheel drive. When classifying a part, the Customs officer often is not able to identify whether it is for a full-time 4WD, a part-time 4WD, a front-wheel drive 2WD or a rear-wheel drive 2WD. Therefore, to simplify classification, it is proposed that driving- and non-driving-axle provisions be combined and that their parts be included with them in the same subheading.

5. Subheading 8708.80.

Delete and substitute :

“8708.80 - Suspension systems and parts thereof (including shock-absorbers)”

Explanation : At present, this subheading provides for suspension shock absorbers, but not for their parts. In recent years, suspension systems, especially in luxury vehicles, have become more sophisticated, making it important to identify them separately in the HS. Collecting trade information only for shock absorbers appears to be nonproductive, since many more suspension parts are classifiable in subheading 8708.99.

6. Subheading 8708.91.

Delete and substitute :

“8708.91 -- Radiators and parts thereof”

7. Subheading 8708.92.

Delete and substitute :

“8708.92 -- Mufflers and exhaust pipes; parts thereof”

8. Subheading 8708.94.

Delete and substitute :

“8708.94 -- Steering wheels, steering columns and steering boxes; parts thereof”

9. New subheading 8708.95.

Insert the following new subheading :

“8708.95 -- Safety airbags and parts thereof”

Explanation : In the present HS, the classification of safety airbags depends upon where in the vehicle they are installed. For example, driver-side airbags are usually installed in the steering column or steering wheel, whereas the passenger-side airbag is installed in the dashboard of the vehicle. In addition, airbags are now being installed in door panels for side-impact protection and in the ceiling of the vehicle for extra protection for the head; this may lead to further classification problems - in particular, multiple possibilities for classifying these airbags and multiple opportunities for classification errors.