1. The Technical Sub-Committee met three times since the last progress report (AIR/TSC/4): in June 1982, March and June 1983. This report covers the work within the Sub-Committee on statistics, tariff classification matters, the reproduction of Aircraft Agreement concessions in national tariffs including civil/military identification, and on proposals for extension of the product coverage.

2. On statistics: the Sub-Committee examined this subject three times, in particular the question of compatibility and comparability of statistical reporting. Attempts at concordance between TSUS, CCCN and CTS has turned out to be difficult. The inclusion of military aircraft in some countries' statistics further complicates matters. The Sub-Committee concluded that despite efforts to improve comparability of statistical reporting, it was unable to make progress at this time. The Sub-Committee noted, however, that for several Signatories the implementation of the Harmonized System (on 1 January 1987) and, in particular, advance planning by Signatories of statistical and customs sub-divisions for their system, would supply the basis for achieving compatibility and comparability of aircraft trade statistics.

3. On Tariff classification matters: the Sub-Committee is exchanging views and exploring different practical approaches to implementing the Harmonized
System in Signatories' respective domestic tariff schedules in a manner which would provide uniform treatment for aircraft concessions under the Agreement in Trade in Civil Aircraft. This is an ongoing exercise.

4. On National tariffs: the Sub-Committee reviewed Signatories' actions to ensure the full transparency, in their respective national tariffs, of duty-free treatment of civil aircraft items. The Sub-Committee was assured that those national tariffs which did not yet have the appropriate cross-references indicating duty-free treatment would be modified in their next edition.

5. On Civil/military identification in national tariffs: this matter was referred to the Technical Sub-Committee in March 1983 for further consideration. The Sub-Committee has reviewed the matter on the basis of factual information supplied by Signatories; this is contained in document AIR/TSC/W/49, a summary of which is annexed to this report.

6. On Product coverage: in March 1983 the Committee referred the following task to the Technical Sub-Committee:

(1) to work out the correct nomenclature in CCCN, TSUS and Canadian tariff for the sixteen CCCN items agreed to;

(2) to look at tariff classification and concordance matters for certain other items, to determine the exact nature of the request for item
ex-CCCN 73.38, and to find specific examples of apparatus for item 85.22.

The Sub-Committee has completed this work, the results of which are contained in the Annex to this report.
<table>
<thead>
<tr>
<th>Agreed Items</th>
<th>CCCN</th>
<th>TSUS</th>
<th>CTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex CCCN 73.18</td>
<td>Insert after ex 70.08:&lt;br&gt;ex 73.18: Piping and tubing, of iron (other than cast iron) or steel, with attached fittings, suitable for conducting gases or liquids.</td>
<td>Current TSUS No. 694.62&lt;br&gt;No change to TSUS necessary since, as noted in AIR/W/13 (page 7), tubes and pipes with attached fittings would already be covered as parts of aircraft (694.62) if they are advanced to that stage in their manufacture where they are dedicated to use in aircraft and carry a certified aircraft parts number.</td>
<td>No change necessary - already covered in items 44053-1, 44057-1, 44059-1, 44062-1 included in the CTS List.</td>
</tr>
<tr>
<td>ex 83-02</td>
<td>Modify ex 83.02 to read:&lt;br&gt;ex 83.02: Base metal fittings and mountings (including hinges and automatic door closers).</td>
<td>Add following new item indented immediately below item 646.95:&lt;br&gt;&quot;646.96 Automatic door closers, if certified for use in civil aircraft.....&quot;&lt;br&gt;This would have the effect of providing duty-free treatment for door closers but parts thereof would remain dutiable.</td>
<td>No changes necessary - already covered in items 42700-1 and 44053-1 included in the CTS List under 44062-1</td>
</tr>
<tr>
<td>ex 84.07</td>
<td>Modify ex 84.07 to read:&lt;br&gt;ex 84.07: Hydraulic engines and motors, and parts thereof.</td>
<td>Current TSUS No. 660.85&lt;br&gt;Amend article description to TSUS 660.87 by deleting &quot;non-electric engines and motors&quot; so that item 660.87 would now read:&lt;br&gt;&quot;If certified for use in civil aircraft...&quot;. Since parts are provided for in the superior heading (660.85), they would now be covered by item 660.87. (The US Annex to the Agreement would be amended by adding the phrase &quot;and parts thereof&quot; immediately after &quot;motors&quot; in item 660.87).</td>
<td>No changes necessary - already covered in item 42700-1 and 44059-1 included in the CTS List under 44062-1</td>
</tr>
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</table>
Agreed Items

ex 84.10 Modify ex 84.10 to read:
ex 84.10: Pumps for liquids, whether or not fitted with measuring devices, and parts thereof.

Current TSUS No. 660.97
Amend article description to TSUS item 660.99 by deleting "Pumps for liquids, operated by any kind of power unit,". Item 660.99 would then read: "If certified for use in civil aircraft ...." (Amend TSUS item 660.99 in Annex by adding "and parts thereof" immediately after "units").

CTS
No change necessary - already covered in items 42700-1, 42701-1 and 44059-1, included in the CTS List under 44062-1

ex 84.11 Modify ex 84.11 to read:
ex 84.11: Air pumps, vacuum pumps; air or gas compressors; fans, blowers and the like; parts of the foregoing

Current TSUS No. 661.06, 661.10, 661.17
Amend article description to TSUS items listed below as follows:
661.08 - delete "Fans and blowers",
661.14 - delete "Compressors",
661.17 - delete "Air pumps and vacuum pumps". All 3 items would then read: "If certified for use in civil aircraft ...." (Amend annex by adding "and parts thereof" to TSUS items 661.08, 661.14 and 661.17).

CTS
No change necessary - already covered in items 42700-1 and 42701-1, included in the CTS List under 44062-1

ex 84.59 Modify ex 84.59 to read:
ex 84.59: Following products and parts thereof:
- non-electric starter motors,
- propeller regulators, non-electric
- servo-mechanisms, non-electric
- windscreen wipers, non-electric
- hydraulic servo-motors, non-electric
- hydropneumatic spherical batteries,
- pneumatic starters for jet-engines,
- mechanism actuators for thrust reversers

Following products, excluding parts thereof:
- toilet units specially designed for aircraft

Parts of non-electric starter motors; Parts of propellor regulators, non-electric; Parts of servo-mechanisms, non-electric; Parts of windscreen wipers, non-electric; Parts of hydraulic servo-motors, non-electric; Pneumatic starters for jet engines; Mechanical activators for thrust reverse.

Current TSUS No. for all of the foregoing 660.85, 694.62.
Amendment to item 660.87 (see item ex 84.07 above) would provide duty-free treatment for all such parts Some parts already duty-free under 694.62

CTS
No change necessary - already covered in items 44053-1, 44057-1 and 44059-1 included in the CTS List under 44062-1
Agreed Items

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<td>ex 84.63</td>
<td>Modify ex 84.63 to read: ex 84.63: Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing (including friction gears and gear-boxes and other variable speed gears), flywheels, pulley and pulley blocks, clutches and shaft couplings; parts of the foregoing.</td>
<td>Hydropneumatic spherical batteries Current TSUS No. 694.62 No change to TSUS is necessary since most such parts are currently duty-free under TSUS item 694.62</td>
</tr>
<tr>
<td>ex 90.01</td>
<td>Insert after ex 88.05: see Note on page 8</td>
<td>Current TSUS No. 708.09. Add new item 708.10 indented immediately under item 708.09 providing - &quot;If certified for use in civil aircraft ...&quot;</td>
</tr>
<tr>
<td>ex 90.29</td>
<td>Modify ex 90.29 to read: ex 90.29: Parts or accessories suitable for use solely or principally with one or more of the articles within No. 90.23, 90.24, 90.27 or 90.28, [included in the CCCN List annnexed to the Aircraft Agreement] [in the present list.]</td>
<td>Parts of thermometers. There is no TSUS provision for parts of thermometers. Each part would be classified under the TSUS provision which most specifically describes it. Parts of instruments and apparatus for measuring ..... Current TSUS No. 711.77 or 711.78. Resdesignate TSUS items 711.75, 711.76 and 711.77 as 711.70, 711.71 and 711.72, respectively. Insert new item 711.73 indented immediately below</td>
</tr>
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Agreed Items  CCCN  TSUS  CTS

711.72 providing: "If certified for use in civil aircraft ...". (Amend annex by redesignating item 711.76 as 711.71 and by adding "and parts thereof" immediately after "foregoing" in items 711.71 and 711.81.

Parts of speed indicators and tachometers. Current TSUS No. 711.98. Amend item 712.00 by deleting "Speedometers and tachometers," so item would now read: "If certified for use in civil aircraft ...". (Amend item 712.00 in annex by adding "and parts of the foregoing" immediately after tachometers").

Parts of other electrical measuring ... apparatus. Current TSUS No. 712.52. Amend item 712.52 by deleting "Electrical measuring, checking, analyzing or automatically controlling instruments and apparatus,". (Amend item 712.52 in annex by adding "all the foregoing and parts thereof" immediately after "apparatus;").

Parts of other electrical measuring ... apparatus. Current TSUS No. 712.49. The change provided for in 712.49 above would provide duty-free treatment for these items.

Electrical articles and electrical parts. TSUS No. 688.43. Amend item 688.47 by deleting "Electric synchros and transducers,". (Amend item 688.47 of annex to read as
Items | CCCN | TSUS | CTS

follows: "Electrical articles and electrical parts of articles, not specially provided for, if certified for use in civil aircraft".)

Parts of fuel control systems.
Current TSUS Nos. 711.77, 711.78 and 712.49.
Changes made in Nos. 711.73 and 712.52 would provide duty-free treatment for such parts.

NOTE

re item 84.07 If parts of hydraulic engines and motors are duty-free, it seems anomalous that parts of non-electric engines and motors, ex 84.08, remain dutiable.

re item 90.01 If unmounted optical elements are duty-free, it seems anomalous that mounted optical elements, ex 90.02, remain dutiable.
Tariff classification and Concordance Matters

ex-CCCN

39.07 Article for technical use - plastic
40.14 Article for technical use - rubber

CCCN - Articles for technical use of plastic or rubber are classified under these two headings.

TSUS - Articles of rubber or plastics, classifiable in CCCN headings 39.07 and 40.14, would not be classified under TSUS item 774.55 if they are readily identifiable and certified as aircraft parts. Rather, they would be classifiable as aircraft parts and eligible for duty-free treatment under item 694.62 if all applicable requirements are met.

CTS - These articles would be classified as parts and would therefore fall under the headings 44053-1, 44057-1, 44059-1 and 44062-1

62.05 Seat covers
94.01 Seat covers

CCCN - In practice these are either "slip covers" or material cut to size ready for application to the seat. In both cases the position is 62.05 which includes "made-up textile articles n.e.s." for normal materials. The same articles but in "bonneterie" (knitted) are classified in 60.06. In no case would these articles be classified in 94.01.

TSUS - Aircraft seat covers that are designed to fit over furnished (upholstered) seats, which have been cut to size and shape and are ready for installation would be classifiable as "furnishings" under part 5C of schedule 3 rather than as parts of furniture under item 727.45. Such seat covers would be classified as parts of furniture (727.45) if they cover unfinished seats (i.e. they constitute the upholstery.)

CTS - These articles are parts of seats and fall under item 44059-1, included in the CTS List under 44062-1.

68.14 Friction material (brakes, etc.) asbestos

Japan

The Japanese proposal seeks to add "or other mineral substances" to this tariff position, in order to cover friction materials using Cerametallic (see AIR/TSC/W/27, page 2).
73.38  Parts of sanitary ware - iron or steel

EC

This request is withdrawn - parts are no longer requested.

84.64  Gaskets and joints

TSUS - Gaskets shown to be designed to specification for use in internal combustion engines or for other civil aircraft uses would be classifiable in item 660.73 or item 694.62. Universal types not provided for elsewhere, however, would be classified under the provision for machinery parts, nspf in item 681.39.

CTS - Falls under parts provisions, under items 44053-1, 44057-1, 44059-1 and 44062-1.

85.22  Electric apparatus and parts

EC

Specific examples of such apparatus are given in document AIR/TSC/W/31, page 51, and include inter alia aircraft interphones, telephone handsets, cockpit voice recorders, antenna coaxial feeders, HF power amplifiers, etc.

......  Equipment for testing, Flight support systems

Canada

Details are contained in document AIR/TSC/W/29. The closest general definition that can be given is: "Apparatus and parts thereof for testing or calibrating civil aircraft equipment, provided that such apparatus is made to the design or specification of the manufacturer of the said equipment."

The testing equipment can be of any engineering discipline. It is not airborne.