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. Establishment of a usable concordance between statistics based on TSUS, CCCN and CTS has turned out to be impossible. 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 new products selected by the Committee for inclusion in the Annex to the Aircraft Agreement;

   (2) to look at tariff classification and concordance matters for certain other items, (see pp. 8 and 9 hereinafter).

   The Sub-Committee has completed this work, the results of which are contained in the Annex to this report.
ANNEX I

CCCN, TSUS and CTS

Tariff Language for the new Products agreed for Inclusion in the Annex
to the Agreement on Trade in Civil Aircraft

Agreed Items

<table>
<thead>
<tr>
<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: ex 73.18: Piping and tubing, of iron (other than of cast iron) or steel with attached fittings, suitable for conducting gases or liquids</td>
<td>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>
</tr>
<tr>
<td>ex 83-02</td>
<td>Modify ex 83.02 to read: ex 83.02: Base metal fittings and mountings (including hinges and automatic door closers)</td>
<td>Add following new item to annex and to TSUS (indented immediately below item 646.95): &quot;646.96 Automatic door closers, if certified for use in civil aircraft .......&quot;</td>
</tr>
<tr>
<td>ex 84.07</td>
<td>Modify ex 84.07 to read: ex 84.07: Hydraulic engines and motors, and parts thereof</td>
<td>Amend article description to TSUS 660.87 by deleting &quot;non-electric engines and motors&quot; so that item 660.87 would now read: &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;NSPF&quot; in item 660.87).</td>
</tr>
</tbody>
</table>

No change necessary - already covered in items 44053-1, 44057-1, 44059-1, 44062-1 included in the CTS List.

No changes necessary - already covered in items 42700-1 and 44053-1 included in the CTS List under 44062-1.
Agreed Items

**CCCN**

**TSUS**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>ex 84.10</td>
<td>Modify ex 84.10 to read:</td>
</tr>
<tr>
<td></td>
<td>ex 84.10: Pumps for liquids, whether or not fitted with measuring devices, and parts thereof</td>
</tr>
</tbody>
</table>

Modify ex 84.10 to read:

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

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 "unit".)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>No change necessary - already covered in items 42700-1, 42701-1 and 44059-1, included in the CTS List under 44062-1</td>
</tr>
</tbody>
</table>

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

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).

<table>
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<tr>
<td>No change necessary - already covered in items 42700-1 and 42701-1, included in the CTS List under 44062-1</td>
</tr>
</tbody>
</table>

modify ex 84.59 to read:

ex 84.59: Following products: 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,
- mechanical actuators for thrust reversers

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

Amendment to item 660.87 (see item ex 84.07 above) would provide duty-free treatment for such parts; some parts already duty-free under 694.62.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>No change necessary - already covered in items 44053-1, 44057-1 and 44059-1, included in the CTS List under 44062-1</td>
</tr>
</tbody>
</table>
Agreed

Items

CCCN

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

TSUS

Most such parts are already duty free under TSUS item 694.62.
Amend superior heading to items 680.46 through 681.42 by deleting the exclusion for "parts of ... aircraft" and replacing it with an exclusion for "parts of aircraft provided for in part 6C of Schedule 6." Add new item 680.63 indented immediately below item 680.62 providing - "If certified for use in civil aircraft." Amend items 681.01, 681.18 and 681.24 to read - "If certified for use in civil aircraft. (Amend annex as follows: Add new item 680.63 providing - "Parts of gear boxes and speed changers, if certified for use in civil aircraft; delete phrase "which are specially designed for installation in civil aircraft" from items 681.01 and 681.81; add "and parts of the foregoing" immediately after "joints" in item 681.24.)

CTS

No changes necessary - already covered in items 42700-1, 44053-1, 44057-1 and 44059-1 included in the CTS List under 44062-1. Flywheels are covered under tariff item 44062-1 as parts of aircraft or parts of aircraft engines.

No changes necessary - already covered in items 42700-1, 44053-1, 44057-1 and 44059-1 included in the CTS List under 44062-1. Flywheels are covered under tariff item 44062-1 as parts of aircraft or parts of aircraft engines.

ex 90.01

see Note on page 8

Insert after ex 88.05:
ex 90.01: Lenses, prisms, mirrors and other optical elements, of any material, unmounted, for use in civil aircraft, other than such elements of glass not optically worked

Add new item 708.10 indented immediately under item 708.09 providing - "Any article described in the foregoing items 708.01 to 708.09, inclusive, if certified for use in civil aircraft ..." (Amend annex by adding following new item: "708.10 Lenses, prisms, mirrors and other optical elements, not mounted, if certified for use in civil aircraft.")

Amend item 44062-1 to provide for high thermal shock resisting glassware entitled to entry under item 32648-1, and mirrors of glass, polished, unframed, entitled to entry under item 32305-1. Item 44062-1 already in the CTS List covers other materials; the amendment is introduced to preclude the possibility of missing glassware.

Note: for full text see Annex II.
<table>
<thead>
<tr>
<th>Agreed Items</th>
<th>CCCN</th>
<th>TSUS</th>
<th>CTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex 90.29</td>
<td></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, in this list, whether suitable for use in one or several of the articles with this group of items.</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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Parts of instruments and apparatus for measuring .... Redesignate 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 711.72 providing: &quot;If certified for use in civil aircraft ...&quot;. (Amend annex by redesignating item 711.76 as 711.71; by adding &quot;and parts thereof&quot; immediately after &quot;foregoing&quot; in item 711.81; and by adding the following new item: 711.73 Parts of flow meters, heat meters incorporating liquid supply meters, and anemometers.&quot;)</td>
<td>Parts of speed indicators and tachometers. Amend item 712.00 by deleting &quot;Speedometers and tachometers,&quot; so item would now read: &quot;If certified for use in civil aircraft ...&quot;. (Amend item 712.00 in annex by adding &quot;and parts of the foregoing&quot; immediately after tachometers.&quot;)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Parts of other electrical measuring ... apparatus. Amend item 712.52 by deleting &quot;Electrical measuring, checking, analyzing or automatically controlling instruments and</td>
<td></td>
</tr>
</tbody>
</table>
apparatus,". (Amend item 712.52 in annex by adding "all the foregoing and parts thereof" immediately after "apparatus;").

Electrical articles and electrical parts. Amend item 688.47 by deleting "Electric synchros and transducers," (Amend item 688.47 of annex to read as follows: "Electrical articles and electrical parts of articles, not specially provided for, if certified for use in civil aircraft").

Parts of fuel control systems. Changes made in Nos. 711.73 and 712.52 would provide duty-free treatment for such parts.

NOTE

re item 84.07 It was pointed out that the proposed tariff description in the CCCN nomenclature for this heading (i.e., parts of hydraulic engines and motors) would be narrower in coverage than that proposed for the US tariff schedule (i.e. parts of non-electric engines and motors) and that currently provided in the Canadian tariff schedule.

re item 90.01 Several delegations expressed the view that if unmounted optical elements are made duty-free, it seems anomalous that mounted optical elements, ex 90.02, remain dutiable, in view of the fact that the mounted elements are further advanced towards their incorporation in civil aircraft.
ANNEX II

Changes (underlined) to the CTS Annex

44062-1 Hinges entitled to entry under tariff items 35200-1, 35400-1 and 36251-1;

Furniture entitled to entry under tariff items 35400-1, 44603-1, 61800-1 and 93907-1;

Castings entitled to entry under tariff items 35400-1 and 39000-1;

Mirrors, optically worked, unmounted, entitled to entry under tariff item 32305-1;

Glassware, optically worked, unmounted, entitled to entry under tariff item 32648-1;

Forgings entitled to entry under tariff item 39200-1;

Sealed-beam lamps entitled to entry under tariff item 44504-1;

Microphones entitled to entry under tariff item 44536-1;

Magnesium castings entitled to entry under tariff item 71100-1;

Goods except parts, entitled to entry under tariff items 44028-1, 44300-1, 44514, 44538-1 and 44540-1;

Goods entitled to entry under tariff items 31200-1, 36800-1, 41417-1, 41417-2, 41505-1, 41505-2, 42400-1, 42405-1, 42700-1, 42701-1, 43005-1, 43300-1, 44053-1, 44057-1, 44059-1, 44500-1, 44502-1, 44516-1, 44524-1, 44532-1, 44533-1, 46200-1, 47100-1 and 61815-1.

All the foregoing when for use in the manufacture, repair, maintenance, rebuilding, modification or conversion of the goods enumerated in tariff item 44060-1.
### Tariff Classification and Concordance Matters

#### ex-CCCN

<table>
<thead>
<tr>
<th>CCSN</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>39.07</td>
<td>Article for technical use - plastic</td>
</tr>
<tr>
<td>40.14</td>
<td>Article for technical use - rubber</td>
</tr>
</tbody>
</table>

- **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.

<table>
<thead>
<tr>
<th>CCSN</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.05</td>
<td>Seat covers</td>
</tr>
<tr>
<td>94.01</td>
<td>Seat covers</td>
</tr>
</tbody>
</table>

- **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.

<table>
<thead>
<tr>
<th>CCSN</th>
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</tr>
</thead>
<tbody>
<tr>
<td>68.14</td>
<td>Friction material (brakes, etc.) asbestos</td>
</tr>
</tbody>
</table>

#### 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 and Add.1).
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.