

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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REPORT OF WORKING PARTY ON UNITED STATES AUTOMOTIVE PRODUCTS WAIVER REQUEST

1. The terms of reference of the Working Party were:

"To consider the request by the Government of the United States to the CONTRACTING PARTIES, in accordance with paragraph 5 of Article XXV of the General Agreement, to waive its obligations under paragraph 1 of Article I of the General Agreement to permit it to eliminate customs duties and other charges imposed on or in connexion with the importation of automotive products of Canada without being required to extend the same treatment to like products of any contracting party, and to report to the Council with appropriate recommendations."

The Working Party met from 4 to 12 November 1965 under the chairmanship of Mr. A. Weitnauer (Switzerland). It had before it the text of the United States/Canada Automotive Products Agreement (L/2339), the report of the earlier Working Party on the Agreement (L/2409), and the text of the request by the United States for a waiver (C/62).

Opening statement by the representative of the United States

2. In his opening statement, the full text of which is contained in Annex A, the representative of the United States said that the factors which characterized the automotive industries of the United States and Canada - geographic proximity, close corporate relationships, interchangeability of products and identical consumer demand - made for a unique situation, even as compared with other industrial relationships between the two countries. It had, he said, become increasingly clear in recent years that the automotive industries of the United States and Canada constituted in reality a single North American industry and that the customs border which lay in its middle was an anomaly, giving rise to artificial and uneconomic practices. It was the objective of the United States/Canada Automotive Products Trade Agreement to correct this anomaly.

3. Turning to the feature of this Agreement that gave rise to the waiver request by his Government, he recalled that it provided that the United States would extend duty-free treatment to imports of vehicles and original parts (but not replacement or service parts) of Canadian origin and did not contemplate that similar treatment would be extended to automotive products

imported into the United States from other countries. This feature of the Agreement was carried over into the implementing legislation recently signed by the President.

4. The North American automotive industry was virtually self-sufficient in the production of original parts. Where the import of original parts occurred this was the result of special situations which would not be affected by the Agreement. It followed that these imports would not be affected to any significant or measurable extent. As regards trade in assembled vehicles, his delegation was convinced on the basis of careful study that no trade diversion affecting third countries would result from the Agreement. The price of vehicles in the United States would not be affected by the removal of duties on vehicles from Canada and there would, therefore, be no change in the competitive situation in the United States market as between United States produced vehicles and those imported from overseas sources.

5. His Government had given most serious consideration to the suggestion which had been made at the previous Working Party that United States duties on automotive products be eliminated on a most-favoured-nation basis, thus avoiding the inconsistency with Article I of the General Agreement and the need for a waiver. His Government did not consider that it was feasible to take such action at this time, bearing in mind the large volume of United States imports of automotive products, the discriminatory situation facing North American type vehicles in many countries and the fact that the Agreement would not adversely affect the trade interests of any other contracting party. The United States had, moreover, the lowest import duties on vehicles and did not impose non-tariff barriers on imported vehicles. Assuming a successful Kennedy Round, it was possible to envisage United States duties on imported cars of about 3 per cent and duties on parts of 4 per cent. Following the Kennedy Round they would expect to consider again the complete removal of United States duties on imported automotive products.

6. The representative of the United States said that his Government recognizes that the approach it had adopted was inconsistent with the letter of Article I. But because his Government were convinced that no contracting party would suffer trade damage they firmly believed this inconsistency to be technical in nature and not be inconsistent with the underlying purpose of Article I. They believed also that the United States/Canada Agreement represented an exceptional circumstance in the sense provided in paragraph 5 of Article XXV.

7. In stating that the departure from Article I was technical in nature he emphasized that his Government did not thereby minimize its significance. The United States therefore proposed to seek a waiver that was limited in its terms and was clearly conditional upon the absence of trade diversion, and thought it fit and appropriate for the waiver to lapse where any substantial trade damage to the products of any contracting party is established by the CONTRACTING PARTIES. His delegation had prepared a draft of a waiver which was illustrative of the type of waiver they had in mind and they were prepared to circulate this to members of the Working Party.

Discussion

8. The representative of the United States had distributed to members of the Working Party copies of the Automotive Products Trade Act of 1965 signed by the President on 21 October this year. In reply to questions, the representative of the United States said that on that date the President had also issued a Proclamation exercising the authority given to him under the Act to remove United States duties on automotive products of Canada. The provisions of the Proclamation would become effective after sixty days, i.e. on 20 December; the removal of United States duties then being retroactive to 18 January this year, the date on which the Government of Canada had brought their part of the Agreement into effect.

9. Certain members of the Working Party expressed regret that the Proclamation had been issued before the Working Party met and expressed concern that, since the United States legislation would now automatically come into force on 20 December and on that date United States duties on automotive products of Canada would be removed retroactively as far back as 18 January this year, for all practical purposes this meant that the United States was already in breach of paragraph 1 of Article I of the General Agreement. The representative of Canada pointed out, however, that Canadian exports of automotive products to the United States were still subject to import duties. The representative of the United States recalled that provision for retroactive implementation had been contained in the United States/Canada Agreement, which was examined by the earlier Working Party, and emphasized that no breach of the General Agreement had yet occurred.

10. Some members of the Working Party expressed their disappointment that in his opening remarks the representative of the United States had said that his Government had not felt itself able to adopt one of the two possibilities to which reference was made in paragraph 31 of the report of the previous Working Party (L/2409). It had been pointed out in that paragraph that if the United States abolished its duties on automotive products the question of a waiver would not arise at all; if, as a second possibility, Congress empowered the United States administration to negotiate the elimination of duties on automotive products during the current round of trade negotiations, the United States would only require a temporary waiver. The representative of the United States reiterated that his Government had given most serious consideration to the suggestion that duties on automotive products be eliminated on a most-favoured-nation basis but for the reasons given in his opening statement had felt that it was not feasible to take such action at the present time. In answer to further questions the representative of the United States recalled that his country had made a sweeping offer of tariff reductions in this sector in the Kennedy Round. He further indicated that the United States would later be willing to consider the further reduction or elimination of United States duties on automotive products and that neither a unilateral nor a multilateral approach could now be ruled out.

11. Some members of the Working Party noted that in his opening remarks the representative of the United States had said that while his Government acknowledged that the approach it had adopted was inconsistent with the letter of Article I of the General Agreement, it felt that this inconsistency was technical in nature. These members of the Working Party could not accept that the inconsistency with Article I was only with the letter and not with the spirit of the Article. Some members of the Working Party also expressed concern that the implementation of the Agreement by the United States might lead to trade diversion. They emphasized the importance which they attached to the introduction of suitable safeguards against this in any waiver decision. The importance of setting a time-limit to any waiver decision was also underlined by some delegations.

12. The representative of the United States recalled that his Government was also concerned that there be no diversion of trade caused by the United States/Canadian Agreement. Before entering into the Agreement, the United States had carefully examined the trade effects it might have and had concluded that prejudice to the trade interests of third countries was extremely unlikely. Nonetheless, to be absolutely sure on this matter, the United States was now willing to condition its waiver on the absence of trade diversion. This type of waiver offered the most effective kind of time-limit - one keyed to the trade facts and not to some arbitrary date. This willingness to assure that the purpose of Article I - the prevention of discrimination detrimental to the economic interests of third countries - was not undermined was the basis of the United States belief that the waiver would permit only a technical violation of the General Agreement. Other members of the Working Party pointed out, nevertheless, that contracting parties might, as a matter of principle, feel that the waiver should be granted only for a specified period of time.

13. Several members of the Working Party also expressed their concern that the granting of a waiver in the present case might constitute a precedent and lead to the proliferation of similar agreements on other products and in other parts of the world. These members emphasized that for this reason any waiver decision should emphasize the unique features of the present case. Other members of the Working Party expressed their concern that the United States/Canada Agreement, while studiously avoiding the word, in fact instituted preferential treatment by one highly developed country in favour of another. This led them to fear that "anomalies" such as the tariff border between the United States and Canada on automotive products might easily be discovered in other cases. These countries recalled that at the earlier Working Party on the United States/Canada Agreement they had enquired whether the signature of the Agreement indicated a change in the positions of these Governments with regard to the granting of new preferences, especially preferences in favour of less-developed countries. While the earlier Working Party had noted that this question was under consideration in another organ of the CONTRACTING PARTIES this was a point which engaged their interest in connexion with the present waiver request. Several members of the Working

Party drew attention to the apparent inconsistency of the attitude of the United States to applications for waivers from the provisions of Article I of the General Agreement.

14. The representative of the United States, supported by the representatives of Canada, said the draft waiver tabled by his delegation would not provide the kind of precedent feared by some members of the Working Party. In the first place, the draft called attention to the exceptional circumstances of very high integration of production and close similarity of consumer tastes existing in the United States and Canada. These criteria would certainly limit the use of the waiver as a precedent for other arrangements not characterized by these factors of unique closeness. Moreover, the guarantees against trade diversion embodied in the waiver would prevent its being used as a precedent for discriminatory arrangements intended to divert trade from one supplier to another.

15. One member said that, in his view, the assurances given by the Government of Canada and recorded in paragraphs 10 and 20 of the report by the previous Working Party (L/2409) should be incorporated in the preamble of a waiver text because he believed that those assurances were relevant to the consideration of the terms and conditions to be included in such a text. In reply to a question from that member, the representative of Canada said that, while this did not seem to him of relevance to the matter before the Working Party, he was able to confirm that the statements referred to above continued to reflect the position of his Government.

16. Some members reiterated their suggestion that the Working Party should examine the general question as to the conditions under which the waiver procedure could be applied with a view to solving the trading problems presented to the CONTRACTING PARTIES by less-developed contracting parties. The less-developed contracting parties would certainly wish to know from the present exercise how similar approaches could contribute to possible solutions to their problems which were not envisaged when the General Agreement was entered into and which demanded a solution. With regard to the point concerning the absence of trade diversion in the present case they urged that it was necessary to utilize similar waiver procedures for encouraging the creation of trade opportunities in favour of all less-developed contracting parties with a view to promoting their trade and development. Other members felt, however, that the present Working Party should confine itself to the examination of the particular request before it.

17. Certain members of the Working Party indicated that their governments were unable at that stage to indicate immediate approval of the application or to agree to any precise form of words for an eventual waiver. The Working Party felt that it was for the CONTRACTING PARTIES to judge the merits of the case for a waiver as presented in the relevant documentation and as elaborated in the present

report. The Working Party proceeded to consider what might be the appropriate terms and conditions for such a waiver and formulated the text which is contained in Annex B to this report for submission to the CONTRACTING PARTIES.

18. During the discussion of this text the points noted in the following paragraphs were raised. One member pointed out that his country was a newcomer to the market and that its exports to the United States had grown rapidly in recent years. In response to a question by this member, it was agreed that no one particular year would necessarily be taken or ruled out as the base period to be used in determining whether a significant diversion of trade had occurred or was threatened.

19. One member raised the question whether the ninety-day period referred to in paragraph 5 of Annex B could be used to delay action to remedy a situation where there was a significant diversion of trade. The representative of the United States assured the Working Party that his Government had the intention of taking remedial action as expeditiously as possible.

20. It was pointed out that the term "substantial interest" had a particular connotation in the GATT. For the purposes of the Decision, however, it was understood that the term "substantial interest" would be given a liberal interpretation and be judged in a pragmatic way on the merits of each particular case. It would not be interpreted by reference to total imports into the United States of a particular automotive product so as to exclude the interest of exporters of one type of product within a broad tariff item.

ANNEX A

Opening Statement made by the Representative
of the United States

I would like first to express the appreciation of my delegation to the members of this Working Party for their willingness to meet to consider the matter before us.

This Working Party was established to consider the request of my Government for a waiver, in accordance with the provisions of paragraph 5 of Article XXV of the General Agreement, to permit the Government of the United States, notwithstanding the provision of paragraph 1 of Article I of the General Agreement, to eliminate certain duties imposed on automotive products of Canada without being required to extend the same treatment to like products of any other contracting party. This request arises from the United States/Canadian Automotive Products Trade Agreement signed by President Johnson and Prime Minister Pearson on 16 January 1965.

The text of the Agreement was circulated on 27 January 1965 as document L/2339, and during the course of the twenty-second session of the CONTRACTING PARTIES, a Working Party was established to examine the Agreement and any aspects of the Agreement relevant to the General Agreement and to report to the CONTRACTING PARTIES. The report of the Working Party was circulated as document L/2409.

I would like now to review briefly the background of the United States/Canadian Automotive Agreement, to explain why a waiver has been requested and to lay before this Working Party the reasons my Government believes a waiver is justified.

At the earlier Working Party, the representatives of the United States and Canada explained the special features of the North American automotive industry that gave rise to the Agreement. Unlike the situation in any other two countries, the vast majority of Americans and Canadians drive identical automobiles. The Canadian automotive industry is, for the greatest part, an offshoot of the United States industry. More than 90 per cent of the motor vehicles produced in Canada are manufactured by firms that are subsidiaries of United States vehicle manufacturer firms. Not surprisingly, therefore, the Canadian industry is marked by the same characteristics as the industry in the United States in respect of organization, production methods and, indeed, in its products. Both branches of

the common industry produce the same types of vehicles with fully interchangeable components and sell to consumers who demand and receive the same variety of identical models and types of vehicles. There is, moreover, the factor of geographic proximity. I have in mind here not merely the fact that the United States and Canada are neighbouring countries. Rather, I refer to the fact that the bulk of automotive production of the two countries takes place in an area surrounding the Great Lakes - an area which offers great advantages to motor vehicle production in terms of availability of land, labour, materials, power and transportation.

These factors which characterize the automotive industries of the United States and Canada - geographic proximity, close corporate relationships, interchangeability of products and identical consumer demand - make for a unique situation, even as compared with other industrial relationships between the United States and Canada.

It has become increasingly clear in recent years that the automotive industries of the United States and Canada constituted in reality a single North American industry, and that the customs border which lay in its middle was an anomaly, giving rise to artificial and uneconomic practices. It is the objective of the United States-Canada Automotive Products Trade Agreement to correct the anomaly. In simple terms, the Agreement seeks to eliminate customs and other hindrances, and, by permitting the rationalization of production on a North American basis, to permit the industry through more complete integration to realize its full potential for the benefit of the economies of both countries.

I think it is unnecessary to review the terms of the Agreement in detail. The Agreement was closely examined by the previous Working Party. My delegation would, of course, be happy to answer any questions about any aspect of the Agreement. I would, however, like to turn to that feature of the Agreement that gives rise to the waiver request by the Government of the United States that is the particular concern of this Working Party. The Agreement provides that the United States would extend duty-free treatment to imports of vehicles and original parts of Canadian origin and did not contemplate that similar treatment would be extended to automotive products imported into the United States from other countries. This feature of the Agreement was carried over into the implementing legislation recently enacted by the Congress.

My Government has recognized that this approach gives rise to an inconsistency with paragraph 1 of Article I of the General Agreement. However, it is our view that the inconsistency is a technical one since the operation of the Agreement will not divert or adversely affect the trade of other contracting parties. I would like to explain why we believe this is so.

Members of the Working Party will recall that the Agreement provides for duty-free treatment for vehicles and for original parts, that is, parts for assembly into new vehicles. Replacement or service parts, as will be further recalled, are not covered by the Agreement and remain dutiable as before.

The North American automotive industry is virtually self-sufficient in production of original parts. One familiar with this industry would not expect United States auto producers, with rare exceptions to be willing to subject the rigid demands of assembly line production techniques to the uncertainties of overseas supply. In fact our consultations with United States vehicle manufacturers have confirmed this. It is also borne out by a recent excellent survey article by the London Economist of 23 October 1965 entitled "Cars and Their Components". This article brings out clearly a situation which is not unique to United States manufactures. Imports of original components are the rare exception for a variety of reasons, the most important of which are problems of reliability, delivery, cost and problems of transport.

It is clear that imports of original parts by United States vehicle manufacturers are the rare exception. Where such trade occurs we have found that it is the result of special situations such as the temporary lack of capacity in domestic manufacturing facilities. These factors will not be affected by the United States-Canadian Agreement. It follows that the United States-Canadian Agreement will not affect to any significant or measurable extent imports of original parts from third countries.

As regards trade in assembled vehicles, we are convinced, on the basis of careful study, that no trade diversion affecting third countries will result from the United States-Canadian Agreement. Well over 90 per cent of total North American automotive production is located in the United States. The price of vehicles in the United States will not be affected by the removal of duties on vehicles from Canada. There will, therefore, be no change in the competitive situation in the United States market as between United States produced vehicles and those imported from overseas sources. United States imports of vehicles from third countries will, therefore, not be affected by the Agreement.

Representatives of the United States have been asked why, given the present low United States duties on automotive products, the United States does not apply the duty elimination now on a most-favoured-nation basis, thus avoiding the inconsistency with Article I of the General Agreement and the need for a waiver. I wish to say in all candour that my Government gave the most serious consideration to this possibility. The Administration considered, however, that it was not politically feasible to take such action at this time. Bearing in mind the present volume of our imports of automotive products, the discriminatory situation facing North American type vehicles in many countries and, finally, the fact that the United States-Canada Agreement will not adversely affect the trade interests of any other contracting party, my Government concluded that it should not extend on a most-favoured-nation basis the duty-free treatment to products from third countries.

The United States is now, and will remain, the world's largest importer of vehicles. We have the lowest import duties on vehicles and do not impose non-tariff barriers on imported vehicles. Assuming a successful Kennedy Round, it is possible to envisage United States duties on imported cars of about 3 per cent and duties on parts of 4 per cent. Following the Kennedy Round, we would expect to consider again the complete removal of United States duties on imported automotive products.

I stated earlier that my Government recognizes that the approach it has adopted is inconsistent with the letter of Article I. It is because we are convinced that no contracting party will suffer trade damage that we firmly believe there is no inconsistency with the underlying purpose of Article I. This in our view is the kind of situation envisaged by paragraph 5 of Article XXV which provides:

"In exceptional circumstances not elsewhere provided for in this Agreement, the CONTRACTING PARTIES may waive an obligation imposed upon a contracting party by this Agreement..."

We believe that the United States-Canada Agreement represents an exceptional circumstance in the sense provided in paragraph 5 of Article XXV.

In stating that the departure from Article I is technical in nature, I wish to emphasize that my Government does not thereby minimize its significance. We therefore propose to seek a waiver that is limited in its terms and is clearly conditional upon the absence of trade diversion. Since we do not intend or anticipate that the Agreement will cause any trade diversion, we think it is fit and appropriate for the waiver to lapse where any substantial trade damage to the products of any contracting party is established by the CONTRACTING PARTIES. My delegation has prepared a draft of a waiver which is illustrative of the limited and conditional kind of waiver we have in mind and believe may be appropriate in the circumstances. In the expectation that this draft may be helpful to the members of the Working Party in their consideration of the United States request, we are prepared to circulate it at this time.

My delegation is at the disposal of the Working Party to answer any questions or to proceed in any manner you may wish.

ANNEX B

Text of Draft Waiver

Having been notified that the Governments of the United States of America and Canada concluded on 16 January 1965 an agreement providing for duty-free treatment for trade in automotive products between their two countries;

Having received the request of the Government of the United States for a waiver from their obligations under paragraph 1 of Article I of the General Agreement in accordance with paragraph 5 of Article XXV;

Considering that the automotive industries of the United States and Canada are characterized by an exceptionally high degree of integration, and

Considering that, by reason of the close similarity of market conditions in the two countries and the close relationship which exists and could be further developed in their production facilities of automotive products, there are special factors which offer exceptional opportunities further both to rationalize the production of automotive products in the two countries and integrate production facilities and to increase the efficiency of United States/Canadian automotive production;

Considering moreover that the Government of the United States accepts that the facilities granted in paragraph 1 below should not be used in a way to prejudice the interests of other contracting parties and that it is not its intention to cause imports into the United States market of automotive products imported from Canada to replace imports of like products from other sources;

Taking note of the declaration of the Governments of the United States and Canada that they will continue their efforts to seek reduction or elimination of tariff and non-tariff barriers to the expansion of international trade in automotive products; and

Noting, furthermore, the assurances given by the Government of the United States that it will, upon request, promptly enter into consultations with any contracting party to the GATT considering that the elimination of United States duties on Canadian automotive products is causing or imminently threatens to cause a significant increase of imports of any such products from Canada at the expense of imports from the requesting contracting party;

THE CONTRACTING PARTIES

Decide, in accordance with paragraph 5 of Article XXV of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956, as follows:

1. The Government of the United States, notwithstanding the provisions of paragraph 1 of Article I of the General Agreement, is free to eliminate the customs duties at present imposed on automotive products of Canada without being required to extend the same tariff treatment to like products of any other contracting party.
2. The Government of the United States shall enter into consultations with any contracting party that requests consultation on the grounds (i) that it has a substantial interest in the trade in an automotive product in the United States market, and (ii) that the elimination of customs duties by the United States on imports of that automotive product from Canada has created or imminently threatens to create a significant diversion of imports of that automotive product from the requesting contracting party to imports from Canada.
3. If, in consultations in accordance with paragraph 2 above, it is agreed there is no significant diversion or imminent threat of diversion of trade in the sense of that paragraph, the waiver shall continue to apply.
4. In the event the parties to consultation in accordance with paragraph 2 above agree there has been a significant diversion or is an imminent threat of diversion of trade, the waiver shall terminate in accordance with paragraph 5, with respect to the automotive product or products in question. If the parties to consultation fail to reach agreement, either may refer the question whether the requesting party has a substantial interest or whether there has been a significant diversion or is an imminent threat of diversion of trade to the CONTRACTING PARTIES. If the CONTRACTING PARTIES decide that the requesting country has a substantial interest and that there has been a significant diversion or is an imminent threat of diversion of trade, the waiver shall terminate in accordance with paragraph 5, with respect to the automotive product or products in question.
5. Unless the requesting party has previously withdrawn its request, any termination of this waiver pursuant to paragraph 4 shall take effect on the ninetieth day after agreement by the parties to consultation, or after a finding by the CONTRACTING PARTIES, with respect to diversion or imminent threat of diversion of trade.
6. In addition to receiving an annual report as referred to in the procedures adopted by the CONTRACTING PARTIES on 1 November 1956, the CONTRACTING PARTIES will, two years from the date when this waiver comes into force and, if necessary, biennially thereafter, review its operation and consider how far in the circumstances then prevailing the United States would continue to need cover to implement the agreement with Canada, having regard to the provisions of paragraph 1 of Article I of the GATT.
7. For the purposes of this Decision, the phrase "automotive product" or "automotive products" shall mean a product or products listed in the Annex hereto, as they are described in the Tariff Schedules of the United States.

ANNEX

There follows the list of automotive products referred to in the waiver:

<u>TSUS Number</u>	<u>Product Description</u>
692.05	Automobile trucks valued at \$1,000 or more, and motor buses
692.10	Other motor vehicles (except motorcycles) for the transport of persons or articles
692.20 (part)	Chassis for automobile trucks and motor buses (except chassis for an electric trolley bus or a three-wheeled vehicle)
692.22 (part)	Chassis for other motor vehicles except chassis designed primarily for a motor vehicle specially constructed and equipped to perform special services or functions or for a three wheeled vehicle
692.27 (part)	Automobile truck tractors
The following, if "original motor vehicle equipment":	
692.20 (part)	Bodies for automobile trucks and motor buses
692.22 (part)	Bodies for other motor vehicles
692.25	Cast iron (except malleable cast iron) parts, not alloyed and not advanced beyond cleaning, and machined only for the removal of fins, gates, sprues, and risers or to permit location in finishing machinery.
692.27 (part)	Other parts (transmissions, wheels, brake drums, bumpers, radiators, tail pipes, steering gear assemblies, mufflers, etc.)
360.20-360.70 360.80 361.80-361.85	Textile floor coverings and floor covering underlays made up for automotive use
516.71-516.76 516.94	Mica components for electrical equipment
646.20 646.40-646.42 646.49-646.78	Fasteners (staples, rivets, cotters, cotterpins, screws, belts, nuts, studs, etc.)
652.12-652.38	Timing chains and other chains

<u>TSUS Number</u>	<u>Product Description</u>
657.09-658.00	Ornaments; decorative trim units, miscellaneous forgings, and castings
682.10-682.40 682.55-682.60	Electric motors, generators, rectifiers, etc. (primarily small motors)
685.20-685.50	Radio, television, photograph, and related equipment
Schedule 7, pt. 2E	Clocks and parts
727.06	Furniture and parts
355.05-355.25	Certain components made from non-woven felts or from bonded fabrics
386.05-389.70	Textile components not specially provided for
728.05-728.25	Non-textile floor coverings
745.04-745.74	Buttons, buckles, pins, hooks, slide fasteners, etc.
774.20-774.60	Certain components of rubber or plastics not specially provided for
207.00	Wooden components not specially provided for
220.45	Discs, washers, etc., of cork
357.90 357.95	Hose of textile fibre
358.02	V-belts
517.81	Carbon and graphite brushes for generators or motors
535.14	Ceramic insulators and other ceramic electrical ware
540.71	Fibre-glass components such as insulation panels
544.17	Certain glass components

<u>TSUS Number</u>	<u>Product Description</u>
544.31	Tempered glass components, such as windows
544.41	Laminated glass components, such as windshields
544.51	Mirrors
544.54	
545.61	Reflecting lenses and lenses for headlights and tail-lights
545.63	
547.15	Protective glass components
610.80	Pipe and tube fittings (e.g. fuel and hydraulic fittings) of steel, copper, aluminum, nickel
613.15	
613.18	
618.47	
620.46	
642.20	Cable fitted with fittings; wire mesh components
642.85	
642.87	
646.92	Ignition, gas tank, and door locks; hinges; handles; grilles; metal letters and sign plates
647.01	
647.05	
652.09	
652.75	
652.84	Suspension springs
652.86	Other springs
652.88	
660.42	Diesel engines
660.44	Spark-ignition engines
660.46	Non-piston-type engines (turbines, etc.)
660.50	Engine parts (e.g. pistons, cylinders, head, crankshafts, connecting rods)
660.52	
660.54	

<u>TSUS Number</u>	<u>Product Description</u>
660.85	Non-electric engines and motors, not specially provided for
660.92 660.94	Fuel, oil, water, and carburettor pumps
661.10 661.12 661.15	Fans; compressors used in air-conditioning and braking systems
661.20 661.35	Air-conditioners, refrigerators, and parts
661.92 661.95 662.35 662.50	Filtering and spraying equipment
664.10	Hoists, winches, etc.
678.50	Machinery, not specially provided for
680.20 680.22 680.27	Taps, cocks, valves
680.30 680.33 680.35	Balls, rollers, ball and roller bearings
680.57	Lubrication fittings
680.90	Non-electric machinery parts, not specially provided for
682.70 682.90 683.10 683.15	Permanent magnets, batteries
683.60	Starting and ignition equipment (mostly starters, generators, and spark plugs)

<u>TSUS Number</u>	<u>Product Description</u>
683.65	Lighting equipment
684.40	Electric heaters
684.62 684.70	Telephonic equipment; microphones, speakers, etc.
685.70	Directional signals, sirens, bells
685.80	Capacitors
685.90 686.10	Fuses, plugs, switches, relays, lamp sockets, resistors
686.22	Automatic voltage regulators
686.60	Sealed-beam lamps
686.80	Other filament lamps
687.50 687.60 688.12	Electronic tubes, transistors, etc., insulated conductors
688.40	Electrical articles, not specially provided for
711.84 711.90 711.98 712.50	Thermostats, oil pressure gauges, taximeters, speedometers, odometers, ammeters, etc.
772.65 772.80 772.85 773.25 773.30 791.80 791.90	Rubber tubes, gaskets, insulators, leather articles not specially provided for

NOTE

1. The term "original motor vehicle equipment" means an article listed above which has been obtained under or pursuant to a written order, contract, or letter of intent of a bona fide motor vehicle manufacturer in the United States and which is a fabricated component intended for use as original equipment in the manufacture in the United States of a motor vehicle, but the term does not include trailers or articles used in their manufacture.

2. The term "motor vehicle" as used in paragraph 1 of this note means a motor vehicle of a kind described in item 692.05 or 692.10 above (excluding an electric trolley-bus and a three-wheeled vehicle) or an automobile truck tractor.

3. The term "bona fide motor vehicle manufacturer" as used in paragraph 1 of this note means a person who is determined to have produced no fewer than fifteen complete motor vehicles in the United States during the previous twelve months, and to have installed capacity in the United States to produce ten or more complete motor vehicles per forty-hour week.

