

Composite and Multifunction Machines

Section XVI(chapters 84 and 85), note 3 states that unless the context requires otherwise, composite machines consisting of two or more machines fitted together to form a whole and other machines adapted to perform two or more complementary or alternative functions are to be classified as if consisting only of that component or as being that machine which performs the principal function. The relevant ENs indicate that a machine is taken to be “fitted together to form a whole” when incorporated one in the other or mounted one on the other, or mounted on a common base or frame or in a common housing. However, the ENs point out that floors, concrete bases, walls, partitions, ceilings, etc., even if specially fitted out to accommodate machines or appliances, should not be regarded as a common base joining such machines or appliances to form a whole. The ENs state that where it is not possible to determine the principal function, and where, as provided in note 3 to the Section, the context does not otherwise require, it is necessary to apply GRI 3 (c). Such is the case, for example, in respect to multi-function machines potentially classifiable in several of the provisions of heading 8458 to heading 8463. GRI 3(c) requires classification in the last heading in numerical order of those which merit equal consideration. For example, a machine tool which mills (8459), grinds (8460) and saws (8461) would be classifiable in heading 8461 if all of these functions merit equal consideration. If, for example, the sawing was incidental or only performed occasionally it may be said that it doesn’t merit equal consideration with the milling and grinding resulting in classification in 8460. Sometimes in considering the application of note 3, the context does otherwise require. A turning center of heading 8458 is a multifunction machine. It is essentially a lathe to which rotary tooling capability has been added to allow it to perform milling, drilling, etc. Since “turning centers” are included in heading 8458, there is no need to determine the principal function.

Functional Units

Section XVI, note 4 states that where a machine (including a combination of machines) consists of individual components (whether separate or interconnected by piping, transmission devices, by electric cables or by other devices) intended to contribute together to a clearly defined function covered by one of the headings in chapter 84 or chapter 85, then the whole falls to be classified in the heading appropriate to that function. A common example of a functional unit in the machine tool industry could be simply a lathe of heading 8458 imported with a loading machine of heading 8428 such as a bar feeder or a robotic loader. The clearly defined function here is the cutting of the work-piece that is fed into the lathe by the loading machine. Classification would be under heading 8458. The function of the loading machine is clearly subordinate to that of the lathe. A Headquarters ruling addressed the issue of “unfinished functional units.” HQ 965638, determined that welding and material handling robots consisting of an articulated arm or manipulator with its configured process controller constituted functional units under the authority of GRI 2 (a), Section XVI, even if imported without welding guns, grippers or other end of arm tooling. The Section XVI ENs discuss incomplete and unassembled machines with reference to GRI 2 (a). The Notes state that throughout the section, any reference to a machine covers not only the complete machine, but also an incomplete machine (i.e., an assembly of parts so far advanced that it already has the main essential feature of the complete machine). Examples are given of a machine lacking only a flywheel, a tool holder or a motor. Regarding unassembled machines, the notes state that many machines and apparatus are transported in an unassembled state for convenience of transport. Although in effect the goods are then a collection of parts, they are classified as being the machine in question and not in any separate heading for parts. The same applies to an incomplete machine having the features of the complete machine presented unassembled. Machine tools or machine tool lines often are imported in a number of shipments due to size considerations. **The functional unit concept cannot be applied if there is more than one shipment.** Each shipment stands on its own. In HQ 958807, it is stated that “[i]t is well settled that merchandise must be classified and assessed duty in its condition as imported. Components of a machine that arrive within the customs territory on different days cannot be aggregated for classification and appraisal purposes under a single HTS provision.” But, GRI 2(a) can be applied to each shipment. Section XVI, Note 5 states that for the purposes of these notes, the expression “machine” means any machine, machinery, plant, equipment, apparatus or appliance cited in the headings of chapters 84 or 85. This means, for example, that where the term “machine” is used in note 3 and note 4, these other terms may be substituted. Note 4 begins “where a machine ...” This could read “where equipment” or “where apparatus ...”

Multipurpose Machines

multi-purpose machines (e.g., machine tools capable of working metals and other materials) are classified according to the provisions of note 7 to chapter 84. Note 7 requires us to determine the principal purpose. In HQ 087606, a drill press used to drill metal (8459) and to drill wood (8465) was classified as a wood working machine tool because based on the design characteristics it was held that the principal purpose was to work wood. The function was the same i.e. drilling, but there was more than one purpose. There are also machine tools which are multifunction and multipurpose. Note HQ 966621, which classified a machine which was multipurpose since it worked plastic (8465) and glass (8464), and multifunction because it performed both milling and grinding.