

## *Motor Vehicle Industry Update*

### **RECENT CUSTOMS RULINGS**

#### **Classification Revocation of a Plastic Headlight Lens and a Plastic Parking Light Lens**

On September 25, 2002, Customs announced its revocation of NY H82055 (June 6, 2001) which classified a headlight lens and tail light lens in HTS subheading 8512.90.20, as parts of electrical and signaling equipment of a kind used in motor vehicles. Customs now believes that these lenses impart optical properties sufficient for classification in HTS heading 9001, the provision for unmounted optical lenses. Of importance to Customs was the fact that the lenses were manufactured with specific slopes and thickness to spread and direct the light in a certain way. Pursuant to the new ruling, HQ 965192, which becomes effective 60 days after publication in the Customs Bulletin, Customs will revoke any treatment previously accorded to substantially identical merchandise.

#### **Classification of Brake Parts For Forklift Trucks**

In HQ 963313 (January 25, 2002), Customs ruled that brake parts that are designed and distributed solely and principally for use on forklift trucks and are not interchangeable from one automotive application to another, are not classified under HTS subheading 8708.39.50, which provides for parts and accessories of motor vehicles of heading 8701 to 8705: brakes and servo-brakes and parts thereof. Rather, Customs held that because the

evidence presented unequivocally demonstrated that these parts can only be used with forklift trucks, which are classified in HTS heading 8427, they are properly classified under HTS subheading 8431.20.00, which provides for parts suitable for use solely or principally with the machinery of headings 8425 to 8430.

#### **Tariff Treatment and Classification of "Works Trucks"**

Importers of certain motor vehicles currently classified under subheading 8704.31.0020 of the Harmonized Tariff Schedule as "vehicles for the transport of goods," dutiable at 25 percent ad valorem, may be eligible to import these vehicles duty free. In HQ 965246 (Nov. 6, 2001), Customs Headquarters revoked its earlier determination that the Micro Truk was properly classified under as a "vehicle for the transport of goods." In that ruling, Customs concluded that the Micro Truk and substantially identical trucks were properly classified under HTS subheading 8709.19.0030 as "works trucks," duty free. Customs found that the Micro Truk satisfied certain enumerated factors of the Explanatory Notes for vehicles of heading 8709. In particular, the Micro Truk has been noted as an off-road vehicle by the National Highway Traffic Safety Administration, has a top speed of approximately 22 mph or 35 km/h, and has a turning radius that is less than the length of the truck itself. Customs has found that the Cushman White Truck, Gator Utility Vehicle, Mule Utility Vehicle, and Carryall Utility Vehicle are

motor vehicles that are substantially similar in terms of design and intended service applications to the MicroTruck. Importers of works trucks that meet these qualifications, as well as others discussed in HQ 965246, may rely on the ruling as a basis for importing these goods duty free.

### **Motor Vehicle Specific HTS Classification Guidance**

For guidance on how to properly classify motor vehicles, parts, and related accessories under the Harmonized Tariff Schedule of the United States, consult Customs' informed compliance publication "What Every Member of the Trade Community Should Know About: Vehicles, Parts and Accessories Under the HTSUS," available at [www.customs.gov/impexp1/comply/icp0157r2.pdf](http://www.customs.gov/impexp1/comply/icp0157r2.pdf).

For guidance on general tariff classification rules, consult "What Every Member of the Tariff Community Should Know About: Tariff Classification," available at [www.customs.gov/imp-exp1/comply/icp017r2.pdf](http://www.customs.gov/imp-exp1/comply/icp017r2.pdf).

### **ABOUT THE INTERNATIONAL TRADE & CUSTOMS PRACTICE**

As one of the largest and most highly regarded international trade and customs practices in the United States, Kelley Drye Collier Shannon assists clients with a full range of importing and exporting activities. We are experts in protecting domestic manufacturers against unfairly traded goods and helping companies overcome barriers to entry in foreign markets.

### **ABOUT KELLEY DRYE COLLIER SHANNON**

Kelley Drye Collier Shannon, the Washington, DC office of Kelley Drye & Warren, is an international, multidisciplinary law firm that solves competitive problems for Fortune 500 companies, privately-held corporations, government entities, and trade associations. Founded more than 170 years ago, Kelley Drye & Warren has more than 400 attorneys and professionals practicing in eight locations around the world and specializing in: Advertising and Marketing; Antitrust and Trade Regulation; Corporate; Employee Benefits and Executive Compensation; Environmental; Government Contracts; Government Relations and Public Policy; Homeland Security; Intellectual Property; International Trade and Customs; Labor and Employment; Litigation; Private Clients; Real Estate; Restructuring, Bankruptcy, and Creditors' Rights; Tax; Technology; Telecommunications; and Trade Associations.

### **FOR MORE INFORMATION**

To learn more about Kelley Drye Collier Shannon, please visit:

[www.kelleydrye.com](http://www.kelleydrye.com)

To learn more about the International Trade and Customs practice group, please feel free to contact one of our team members at 202-342-8400.