

SUBJECT 15

Re: Cabinets, arcade video game (Arcade Machines)

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Proponent: Quasimoto Interactive, Inc., Wadsworth, Ohio

Present Classification Provisions*

Item	Description	Class
	CABINETS, OR PARTS NAMED: subject to item 39200	
39270	Cabinets , NOI, with or without wheels, other than furniture, see Note, item 39272, in boxes, crates or Packages 1078 or 2520, subject to Items 170 and 171 and having a density in pounds per cubic foot of:	
Sub 1	Less than 1	400
Sub 2	1 but less than 2	300
Sub 3	2 but less than 4	250
Sub 4	4 but less than 6	150
Sub 5	6 but less than 8	125
Sub 6	8 but less than 10	100
Sub 7	10 but less than 12	92.5
Sub 8	12 but less than 15	85
Sub 9	15 but less than 22.5	70
Sub 10	22.5 but less than 30	65
Sub 11	30 or greater	60
39272	NOTE—Not Involved.	
	ELECTRICAL EQUIPMENT GROUP: subject to item 60500	
61700	Electrical Appliances or Instruments , NOI, see Note, item 61701, in boxes, crates or Packages 829, 1241 or 2112	100
61701	NOTE—Not Involved.	
63321	Televisions (TVs) or Video or Multimedia Monitors or Displays , NOI, including LCD or Plasma Televisions (TVs), Monitors or Displays , see Notes, items 63323 and 63324, in boxes or Packages 231, 809, 829, 979, 2320 or 2396, having a screen size measured diagonally of:	
Sub 1	40 inches or greater	200
Sub 2	Less than 40 inches	125
63323	NOTE—Not Involved.	
63324	NOTE—Not Involved.	

*Based on CCSB opinion applying Item (Rule) 422 governing "Classification of Combined Articles."

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Proposed Classification Provisions

Item	Description	Class
GAMES OR TOYS GROUP: subject to item 83900		
⇒A-NEW	Cabinets, arcade video game (Arcade Machines), other than complete games, see Note, item B-NEW, in boxes.....	125
⇒B-NEW	NOTE—Applies only on arcade-style video game cabinets with speakers, video monitor and arcade-style game controller(s), but without game console or operating unit. For provisions applicable to arcade video game cabinets equipped with game console or operating unit, see item 84180, ‘Games, NOI, coin- or currency-operated,’ or item 84260, ‘Video Game Consoles; or Video Games, NOI; other than coin- or currency-operated,’ as the case may be.	

Analysis

This proposal would establish a new item and clarifying Note under the Games or Toys Group for a commodity known as an arcade machine, at class 125. They consist of an arcade-style cabinet that houses speakers, a video monitor and an arcade controller. The user provides their own video game console and video games, which are connected to the arcade machine, and allow for one- or two-player operation.

As there is no specific or general provision for this product, the CCSB found that it would be subject to the provisions of Item (Rule) 422 governing “Classification of Combined Articles” utilizing the provisions of item 39270, naming “Cabinets, NOI,” item 61700, naming “Electrical Appliances or Instruments, NOI,” and item 63321, naming “Televisions (TVs) or Video or Multimedia Monitors or Displays, NOI.” In accordance with the provisions of Item (Rule) 422, the class applicable to the highest classed article in the combination would apply.

Examples of the proponent’s arcade machines are shown below:



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Transportation Characteristics

Information submitted by the proponent on the transportation characteristics of its arcade machines encompasses six models and is weighted based on sales volume.

Density — The information of record reveals densities ranging from 4.02 to 6.88 pcf, with a simple average density of 4.61 pcf. However, as previously mentioned, the proponent has provided information based on shipping volume per model. When weighted according to shipping volume, the proponent's arcade machines have a weighted average density of 5.27 pcf.

Handling — The involved arcade machines are tendered for shipment in a tube and cap style fibreboard container that is banded to a pallet. The unit is fully enclosed within the packaging as per the photo. According to the proponent, the packages are labeled "Do Not Double Stack," and "Handle with Care," indicating that some additional care and attention may be required when handling these units.

Stowability — As mentioned under the "Handling" characteristic, these products are tendered with precautionary labels attached indicating that they should not be double stacked. This may limit the carrier's ability to obtain maximum utilization of available trailer space due to the lack of compatible top freight. The proponent also indicates that the unit should be loaded in its tendered, upright position.

Liability — Arcade machines are not perishable, prone to spontaneous combustion or explosion, or likely to damage other freight with which transported. There is no indication that these products are unduly susceptible to theft or damage. Information submitted by the proponent on the value of its arcade machines indicates a range from \$8.33 to \$12.19 per pound, with a simple average value of \$10.61 per pound, and a weighted average value of \$11.17 per pound. With respect to claims, the information of record indicates a claims ratio of approximately 1%.

**Relationship to CCSB Policies and Guidelines**

CCSB policy calls for the establishment of classifications for new commodities. This proposal would establish a new item for arcade video game cabinets, also known as "arcade machines," subject to a new explanatory Note, at a class 125. Presently, these cabinets are classified subject to the provisions of Item (Rule) 422 governing "Classification of Combined Articles," which stipulates that the highest classed article in the combination applies. Most likely, this would mean that the density-based provisions of item 39270, naming "Cabinets, NOI," governs.

CCSB policy also calls for classifications to reflect a commodity's known transportation characteristics. Information of record indicates that the involved cabinets range in density from 4.02 to 6.88 pcf. The record further shows an average density of 4.61 pcf and a weighted average density of 5.27 pcf. In addition, these products may exhibit some negative handling

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and stowing considerations as the packages are labeled with the precautionary instructions "Do Not Double Stack," and "Handle with Care." CCSB guidelines for the proposed class 125 call for a minimum average density of 7 pcf, and no unusual or significant negative handling, stowing or liability considerations. By comparison, under CCSB guidelines, the proponent's weighted average density of 5.27 pcf would generally be associated with class 175, which calls for a minimum average density of 5 pcf, while the simple average density of 4.61 pcf would be associated with class 200 which calls for a minimum average density of 4 pcf.

Based on the information of record, this proposal, as docketed, is not in keeping with CCSB policy and guidelines.