

**ANNEX II  
TO MODIFY THE RULES OF ORIGIN  
FOR THE UNITED STATES-CHILE FREE TRADE AGREEMENT**

Effective with respect to goods of Chile, under the terms of general note 26 to the Harmonized Tariff Schedule (HTS), that are entered, or withdrawn from warehouse for consumption, on or after November 1, 2011, general note 26 to the HTS is hereby modified as follows:

A. Subdivision (m)(vi) is deleted, and the following new provisions are inserted in lieu thereof:

- "(vi) (A) For purposes of applying this note to goods of chapters 28 through 38, inclusive, the following provisions confer origin to a good of any heading or subheading in such chapters, except as otherwise specified in this subdivision.
- (B) Notwithstanding subdivision (vi)(A), a good of chapters 28 through 38 is an originating good if it meets the applicable change in tariff classification or satisfies the applicable value content requirement specified in subdivision (n) of this note.
- (C) A good of chapters 28 through 38, except goods of heading 3823, that results from a chemical reaction in the territory of Chile or of the United States, or both, shall be treated as an originating good. For purposes of such chapters, a "chemical reaction" is a process (including a biochemical process) that results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of determining whether a good is originating:

- (1) dissolution in water or in another solvent;
  - (2) the elimination of solvents, including solvent water; or
  - (3) the addition or elimination of water of crystallization.
- (D) A good of chapters 28 through 38 that is subject to purification shall be treated as an originating good provided that the purification occurs in the territory of Chile or of the United States, or both, and results in the following:
- (1) the elimination of 80 percent of the impurities; or
  - (2) the reduction or elimination of impurities resulting in a good suitable:
    - (I) as a pharmaceutical, medicinal, cosmetic, veterinary, or food grade substance;
    - (II) as a chemical product or reagent for analytical, diagnostic, or laboratory uses;
    - (III) as an element or component for use in micro-elements;
    - (IV) for specialized optical uses;
    - (V) for non-toxic uses for health and safety;
    - (VI) for biotechnical use;
    - (VII) as a carrier used in a separation process; or

(VIII) for nuclear grade uses.

- (E) A good of chapters 30, 31 or 33 through 38, except for heading 3808, shall be treated as an originating good if the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications, resulting in the production of a good having physical or chemical characteristics that are relevant to the purposes or uses of the good and are different from the input materials, occurs in the territory of Chile or of the United States, or both.
- (F) A good of chapters 30, 31 or 33 shall be treated as an originating good if the deliberate and controlled modification in particle size of the good, including micronizing by dissolving a polymer and subsequent precipitation, other than by merely crushing or pressing, resulting in a good having a defined particle size, defined particle size distribution, or defined surface area, which is relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials, occurs in the territory of Chile or of the United States, or both.
- (G) A good of chapters 28 through 38 shall be treated as an originating good if the production of standards materials occurs in the territory of Chile or of the United States, or both. For the purposes of this note, "standards materials" (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses, having precise degrees of purity or proportions that are certified by the manufacturer.
- (H) A good of chapters 28 through 38 shall be treated as an originating good if the isolation or separation of isomers from mixtures of isomers occurs in the territory of Chile or of the United States, or both.
- (I) A good that undergoes a change from one classification to another in the territory of Chile or of the United States, or both, as a result of the separation of one or more materials from a man-made mixture shall not be treated as an originating good unless the isolated material underwent a chemical reaction in the territory of Chile or of the United States, or both."

B. Subdivision (n) is modified as set forth below:

(1). Tariff classification rule (TCR) 1 for chapter 7 is deleted and the following new TCRs are inserted in lieu thereof:

- "1. A change to subheadings 0701.10 through 0712.39 from any other chapter.
- 2. (A) A change to marjoram, savory or cilantro, crushed or ground, of subheading 0712.90 from marjoram, savory or cilantro, neither crushed nor ground, of subheading 0712.90 or any other chapter; or
- (B) A change to any other good of subheading 0712.90 from any other chapter.
- 3. A change to headings 0713 through 0714 from any other chapter."

(2). TCR 1 for chapter 9 is deleted and the following new TCRs are inserted in lieu thereof:

- "1. A change to subheadings 0901.11 through 0901.12 from any other chapter.
- 1A. A change to subheading 0901.21 from any other subheading.
- 1B. A change to subheading 0901.22 from any other subheading, except from subheading 0901.21.
- 1C. A change to subheading 0901.90 from any other chapter."

(3). TCR 3 for chapter 9 is deleted and the following new TCRs are inserted in lieu thereof:

- "3. A change to heading 0903 from any other chapter.
- 4. (A) A change to crushed, ground, or powdered spices put up for retail sale of subheadings 0904.11 through 0910.99 from spices that are not crushed, ground, or powdered of subheadings 0904.11 through 0910.99, or from any other subheading; or
- (B) A change to mixtures of spices or any good of subheadings 0904.11 through 0910.99 other than crushed, ground, or powdered spices put up for retail sale from any other subheading."

(4). TCR 1 for chapter 12 is deleted and the following new TCRs are inserted in lieu thereof:

- "1. A change to headings 1201 through 1207 from any other chapter.
- 2. A change to subheadings 1208.10 through 1209.30 from any other chapter.
- 3. (A) A change to celery seeds, crushed or ground, of subheading 1209.91 from celery seeds, neither crushed nor ground, of subheading 1209.91 or any other chapter; or
- (B) A change to any other good of subheading 1209.91 from any other chapter.
- 4. A change to subheadings 1209.99 through 1211.40 from any other chapter.
- 5. (A) A change to basil, rosemary or sage, crushed or ground, of subheading 1211.90 from basil, rosemary or sage, neither crushed nor ground, of subheading 1211.90 or any other chapter; or
- (B) A change to any other good of subheading 1211.90 from any other chapter.
- 6. A change to headings 1212 through 1214 from any other chapter."

(5). TCR 1 for chapter 18 is deleted and the following new TCRs are inserted in lieu thereof:

- "1. A change to headings 1801 through 1802 from any other chapter.
- 1A. A change to headings 1803 through 1805 from any other heading."

(6). TCR 4 for chapter 21 is deleted and the following new TCRs are inserted in lieu thereof:

- "4. A change to subheading 2103.30 from any other chapter.
- 4A. A change to subheading 2103.90 from any other subheading."

(7). Chapter rule 1 for each of chapters 27 through 38 is deleted.

(8). TCRs 7 and 8 for chapter 40 are deleted and the following new TCR 7 is inserted in lieu thereof:

- "7. A change to headings 4005 through 4017 from any other heading, including another heading within that group."

(9). TCR 1 for chapter 71 is modified by deleting the phrase ", except from heading 0307".

(10). TCRs 34 through 37 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"34. A change to subheadings 8415.10 through 8415.83 from any other subheading, including another subheading within that group."

(11). TCR 45 for chapter 84 is deleted and the following new TCRs are inserted in lieu thereof:

"45. A change to subheading 8419.11 from any other subheading.

45A. (A) A change to subheading 8419.19 from any other heading; or

(B) A change to subheading 8419.19 from any other subheading, provided that there is a regional value content of not less than:

(1) 35 percent when the build-up method is used, or

(2) 45 percent when the build-down method is used.

45B. A change to subheadings 8419.20 through 8419.89 from any other subheading, including another subheading within that group."

(12.) TCR 47 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"47. A change to subheading 8420.10 from any other subheading."

(13). TCR 49 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"49. A change to subheadings 8421.11 through 8421.39 from any other subheading."

(14). TCRs 56 through 60 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"56. A change to subheadings 8424.10 through 8430.69 from any other subheading, including another subheading within that group."

(15). TCRs 67 through 71 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"67. A change to subheadings 8434.10 through 8435.90 from any other subheading, including another subheading within that group."

(16). TCRs 80 through 84 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"80. A change to subheadings 8439.10 through 8440.90 from any other subheading, including another subheading within that group."

(17). TCR 99 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"99. A change to subheadings 8450.11 through 8450.20 from any other subheading, including another subheading within that group."

(18). TCR 101 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"101. A change to subheadings 8451.10 through 8451.80 from any other subheading, including another subheading within that group."

(19). TCRs 111 and 112 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"111. A change to subheadings 8455.10 through 8455.90 from any other subheading, including another subheading within that group."

(20). TCR 121 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"121. A change to heading 8469 from any other heading."

(21). TCR 127 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"127. (A) A change to subheadings 8473.10 through 8473.50 from any other subheading, including another subheading within that group; or

(B) No change in tariff classification to a good of such subheadings is required, provided that there is a regional value content of not less than:

(1) 35 percent when the build-up method is used, or

(2) 45 percent when the build-down method is used."

(22). TCRs 78 through 86 for chapter 85 are deleted and the following new TCR is inserted in lieu thereof:

"78. A change to subheadings 8539.10 through 8539.49 from any other subheading, including another subheading within that group."

(23). TCRs 61 through 61H for chapter 90 are deleted and the following new TCR is inserted in lieu thereof:

"61. A change to subheadings 9030.10 through 9030.89 from any other subheading, including another subheading within that group."