

Chapter Three

National Treatment and Market Access for Goods

Article 3.1: Scope and Coverage

Except as otherwise provided, this Chapter applies to trade in goods of a Party.

Section A: National Treatment

Article 3.2: National Treatment

1. Each Party shall accord national treatment to the goods of another Party in accordance with Article III of the GATT 1994, including its interpretive notes, and to this end Article III of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. The provisions of paragraph 1 regarding national treatment shall mean, with respect to a regional level of government, treatment no less favorable than the most favorable treatment that regional level of government accords to any like, directly competitive, or substitutable goods, as the case may be, of the Party of which it forms a part.
3. Paragraphs 1 and 2 shall not apply to the measures set out in Annex 3.2.

Section B: Tariff Elimination

Article 3.3: Tariff Elimination

1. Except as otherwise provided in this Agreement, no Party may increase any existing customs duty, or adopt any new customs duty, on an originating good.
2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on originating goods, in accordance with Annex 3.3.¹
3. For greater certainty, paragraph 2 shall not prevent a Central American Party from providing identical or more favorable tariff treatment to a good as provided for under the legal instruments of Central American integration, provided that the good meets the rules of origin under those instruments.

¹ For greater certainty, each Central American Party shall provide that any originating good is entitled to the tariff treatment for the good set out in its Schedule to Annex 3.3, regardless of whether the good is imported into its territory from the territory of the United States or from the territory of another Central American Party. An originating good may include a good produced in a Central American Party with materials from the United States.

4. On the request of any Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in their Schedules to Annex 3.3. Notwithstanding Article 19.1.3(b) (The Free Trade Commission), an agreement between two or more Parties to accelerate the elimination of a customs duty on a good shall supercede any duty rate or staging category determined pursuant to their Schedules to Annex 3.3 for such good when approved by each such Party in accordance with its applicable legal procedures. Promptly after two or more Parties conclude an agreement under this paragraph they shall notify the other Parties of the terms of that agreement.

5. For greater certainty, a Party may:

- (a) raise a customs duty back to the level established in its Schedule to Annex 3.3 following a unilateral reduction; or
- (b) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

Section C: Special Regimes

Article 3.4: Waiver of Customs Duties

1. No Party may adopt any new waiver of customs duties, or expand with respect to existing recipients or extend to any new recipient the application of an existing waiver of customs duties, where the waiver is conditioned, explicitly or implicitly, on the fulfillment of a performance requirement.

2. No Party may, explicitly or implicitly, condition on the fulfillment of a performance requirement the continuation of any existing waiver of customs duties.

3. Costa Rica, El Salvador, and Guatemala may each maintain existing measures inconsistent with paragraphs 1 and 2, provided it maintains such measures in accordance with Article 27.4 of the SCM Agreement. Costa Rica, El Salvador, and Guatemala may not maintain any such measures after December 31, 2009.

4. Nicaragua and Honduras may each maintain measures inconsistent with paragraphs 1 and 2 for such time as they are Annex VII countries for purposes of the SCM Agreement. Thereafter, Nicaragua and Honduras shall maintain any such measures in accordance with Article 27.4 of the SCM Agreement.

Article 3.5: Temporary Admission of Goods

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:

- (a) professional equipment, including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party;
- (b) goods intended for display or demonstration;
- (c) commercial samples and advertising films and recordings; and
- (d) goods admitted for sports purposes.

2. Each Party shall, at the request of the person concerned and for reasons its customs authority considers valid, extend the time limit for temporary admission beyond the period initially fixed.

3. No Party may condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that such good:

- (a) be used solely by or under the personal supervision of a national or resident of another Party in the exercise of the business activity, trade, profession, or sport of that person;
- (b) not be sold or leased while in its territory;
- (c) be accompanied by a security in an amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;
- (d) be capable of identification when exported;
- (e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within one year, unless extended;
- (f) be admitted in no greater quantity than is reasonable for its intended use; and
- (g) be otherwise admissible into the Party's territory under its law.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the good plus any other charges or penalties provided for under its law.

5. Each Party, through its customs authority, shall adopt procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that when such a good accompanies a national or resident of another Party who is

seeking temporary entry, the good shall be released simultaneously with the entry of that national or resident.

6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted.

7. Each Party shall provide that its customs authority or other competent authority shall relieve the importer or other person responsible for a good admitted under this Article from any liability for failure to export the good on presentation of satisfactory proof to the importing Party's customs authority that the good has been destroyed within the original period fixed for temporary admission or any lawful extension.

8. Subject to Chapters Ten (Investment) and Eleven (Cross-Border Trade in Services):

- (a) each Party shall allow a vehicle or container used in international traffic that enters its territory from the territory of another Party to exit its territory on any route that is reasonably related to the economic and prompt departure of such vehicle or container;
- (b) no Party may require any bond or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a vehicle or container;
- (c) no Party may condition the release of any obligation, including any bond, that it imposes in respect of the entry of a vehicle or container into its territory on its exit through any particular port of departure; and
- (d) no Party may require that the vehicle or carrier bringing a container from the territory of another Party into its territory be the same vehicle or carrier that takes such container to the territory of another Party.

9. For purposes of paragraph 8, **vehicle** means a truck, a truck tractor, tractor, trailer unit or trailer, a locomotive, or a railway car or other railroad equipment.

Article 3.6: Goods Re-entered after Repair or Alteration

1. No Party may apply a customs duty to a good, regardless of its origin, that re-enters its territory after that good has been temporarily exported from its territory to the territory of another Party for repair or alteration, regardless of whether such repair or alteration could be performed in the territory of the Party from which the good was exported for repair or alteration.

2. No Party may apply a customs duty to a good, regardless of its origin, admitted temporarily from the territory of another Party for repair or alteration.

3. For purposes of this Article, **repair or alteration** does not include an operation or process that:

- (a) destroys a good's essential characteristics or creates a new or commercially different good; or
- (b) transforms an unfinished good into a finished good.

Article 3.7: Duty-Free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials

Each Party shall grant duty-free entry to commercial samples of negligible value and to printed advertising materials, imported from the territory of another Party, regardless of their origin, but may require that:

- (a) such samples be imported solely for the solicitation of orders for goods, or services provided from the territory, of another Party or a non-Party; or
- (b) such advertising materials be imported in packets that each contain no more than one copy of each such material and that neither such materials nor packets form part of a larger consignment.

Section D: Non-Tariff Measures

Article 3.8: Import and Export Restrictions

1. Except as otherwise provided in this Agreement, no Party may adopt or maintain any prohibition or restriction on the importation of any good of another Party or on the exportation or sale for export of any good destined for the territory of another Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes, and to this end Article XI of the GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.²

2. The Parties understand that the GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:

- (a) export and import price requirements, except as permitted in enforcement of countervailing and antidumping duty orders and undertakings;
- (b) import licensing conditioned on the fulfillment of a performance requirement, except as provided in a Party's Schedule to Annex 3.3; or

² For greater certainty, this paragraph applies, *inter alia*, to prohibitions or restrictions on the importation of remanufactured goods.

- (c) voluntary export restraints inconsistent with Article VI of the GATT 1994, as implemented under Article 18 of the SCM Agreement and Article 8.1 of the AD Agreement.

3. In the event that a Party adopts or maintains a prohibition or restriction on the importation from or exportation to a non-Party of a good, nothing in this Agreement shall be construed to prevent the Party from:

- (a) limiting or prohibiting the importation from the territory of another Party of such good of that non-Party; or
- (b) requiring as a condition of export of such good of the Party to the territory of another Party, that the good not be re-exported to the non-Party, directly or indirectly, without being consumed in the territory of the other Party.

4. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, the Parties, on the request of any Party, shall consult with a view to avoiding undue interference with or distortion of pricing, marketing, or distribution arrangements in another Party.

5. Paragraphs 1 through 4 shall not apply to the measures set out in Annex 3.2.

6. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua may not, as a condition for engaging in importation or for the import of a good, require a person of another Party to establish or maintain a contractual or other relationship with a dealer in its territory.

7. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua may not remedy a violation or alleged violation of any law, regulation, or other measure regulating or otherwise relating to the relationship between any dealer in its territory and any person of another Party, by prohibiting or restricting the importation of any good of another Party.

8. For purposes of this Article:

dealer means a person of a Party who is responsible for the distribution, agency, concession, or representation in the territory of that Party of goods of another Party; and

remedy means to obtain redress or impose a penalty, including through a provisional, precautionary, or permanent measure.

Article 3.9: Import Licensing

1. No Party may adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.

2. Promptly after entry into force of this Agreement, each Party shall notify the other Parties of any existing import licensing procedures, and thereafter shall notify the other Parties of any

new import licensing procedure and any modification to its existing import licensing procedures, within 60 days before it takes effect. A notification provided under this Article shall:

- (a) include the information specified in Article 5 of the Import Licensing Agreement; and
- (b) be without prejudice as to whether the import licensing procedure is consistent with this Agreement.

3. No Party may apply an import licensing procedure to a good of another Party unless it has provided notification in accordance with paragraph 2.

Article 3.10: Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of the GATT 1994 and its interpretive notes, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III:2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes.

2. No Party may require consular transactions, including related fees and charges, in connection with the importation of any good of another Party.

3. Each Party shall make available and maintain through the Internet a current list of the fees and charges it imposes in connection with importation or exportation.

4. The United States shall eliminate its merchandise processing fee on originating goods.

Article 3.11: Export Taxes

Except as provided in Annex 3.10, no Party may adopt or maintain any duty, tax, or other charge on the export of any good to the territory of another Party, unless such duty, tax, or charge is adopted or maintained on any such good:

- (a) when exported to the territories of all other Parties; and
- (b) when destined for domestic consumption.

Section E: Other Measures

Article 3.12: Distinctive Products

1. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua shall recognize Bourbon Whiskey and Tennessee Whiskey, which is a straight Bourbon Whiskey authorized to be produced only in the State of Tennessee, as distinctive products of the United States. Accordingly, those Parties shall not permit the sale of any product as Bourbon Whiskey or Tennessee Whiskey, unless it has been manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of Bourbon Whiskey and Tennessee Whiskey.
2. At the request of a Party, the Committee on Trade in Goods shall consider whether to recommend that the Parties amend the Agreement to designate a good as a distinctive product for purposes of this Article.

Section F: Agriculture

Article 3.13: Administration and Implementation of Tariff-Rate Quotas

1. Each Party shall implement and administer the tariff-rate quotas for agricultural goods set out in Appendix I to its Schedule to Annex 3.3 (hereafter “TRQs”) in accordance with Article XIII of the GATT 1994, including its interpretive notes, and the Import Licensing Agreement.
2. Each Party shall ensure that:
 - (a) its procedures for administering its TRQs are transparent, made available to the public, timely, nondiscriminatory, responsive to market conditions, minimally burdensome to trade, and reflect end user preferences;
 - (b) any person of a Party that fulfills the Party’s legal and administrative requirements shall be eligible to apply and to be considered for an import license or quota allocation under the Party’s TRQs;
 - (c) it does not allocate any portion of a quota to an industry association or non-governmental organization, except as otherwise provided in this Agreement;
 - (d) solely government authorities administer its TRQs, except as otherwise provided in this Agreement; and
 - (e) it allocates quotas under its TRQs in commercially viable shipping quantities and, to the maximum extent possible, in the amounts that importers request.
3. Each Party shall strive to administer its TRQs in a manner that allows importers to fully utilize import quotas.

4. No Party may condition application for, or utilization of, import licenses or quota allocations under its TRQs on the re-export of an agricultural good.
5. No Party may count food aid or other non-commercial shipments in determining whether an import quota under its TRQs has been filled.
6. On request of any Party, an importing Party shall consult with the requesting Party regarding the administration of its TRQs.

Article 3.14: Agricultural Export Subsidies

1. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods and shall work together toward an agreement in the WTO to eliminate those subsidies and prevent their reintroduction in any form.
2. Except as provided in paragraph 3, no Party may introduce or maintain any export subsidy on any agricultural good destined for the territory of another Party.
3. Where an exporting Party considers that a non-Party is exporting an agricultural good to the territory of another Party with the benefit of export subsidies, the importing Party shall, on written request of the exporting Party, consult with the exporting Party with a view to agreeing on specific measures that the importing Party may adopt to counter the effect of such subsidized imports. If the importing Party adopts the agreed-on measures, the exporting Party shall refrain from applying any subsidy to its exports of the good to the territory of the importing Party. If the importing Party does not adopt the agreed-on measures, the exporting Party may apply an export subsidy on its exports of the good to the territory of the importing Party only to the extent necessary to counter the trade-distorting effect of subsidized exports of the good from the non-Party to the importing Party's territory.

Article 3.15: Agricultural Safeguard Measures³

1. Notwithstanding Article 3.3, each Party may apply a measure in the form of an additional import duty on an originating agricultural good listed in that Party's Schedule to Annex 3.15, provided that the conditions in paragraphs 2 through 7 are met. The sum of any such additional import duty and any other customs duty on such good shall not exceed the lesser of:
 - (a) the prevailing most-favored-nation (MFN) applied rate of duty; or
 - (b) the MFN applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement.

³ This Article shall not apply between the Central American Parties.

2. A Party may apply an agricultural safeguard measure during any calendar year if the quantity of imports of the good during such year exceeds the trigger level for that good set out in its Schedule to Annex 3.15.

3. The additional duty under paragraph 1 shall be set according to each Party's Schedule to Annex 3.15.

4. No Party may apply an agricultural safeguard measure and at the same time apply or maintain:

- (a) a safeguard measure under Chapter Eight (Trade Remedies); or
- (b) a measure under Article XIX of the GATT 1994 and the Safeguards Agreement;

with respect to the same good.

5. No Party may apply or maintain an agricultural safeguard measure:

- (a) on or after the date that a good is subject to duty-free treatment under the Party's Schedule to Annex 3.3; or
- (b) that increases the in-quota duty on a good subject to a TRQ.

6. Each Party shall implement an agricultural safeguard measure in a transparent manner. Within 60 days after applying a measure, a Party shall notify any Party whose good is subject to the measure, in writing, and shall provide it relevant data concerning the measure. On request, the Party applying the measure shall consult with any Party whose good is subject to the measure regarding application of the measure.

7. A Party may maintain an agricultural safeguard measure only until the end of the calendar year in which the Party applies the measure.

8. The Commission and the Committee on Agricultural Trade may review the implementation and operation of this Article.

9. For purposes of this Article and Annex 3.15, **agricultural safeguard measure** means a measure described in paragraph 1.

Article 3.16: Sugar Compensation Mechanism

1. In any year, the United States may, at its option, apply a mechanism that results in compensation to a Party's exporters of sugar goods in lieu of according duty-free treatment to some or all of the duty-free quantity of sugar goods established for that Party in Appendix I to the Schedule of the United States to Annex 3.3. Such compensation shall be equivalent to the estimated economic rents that the Party's exporters would have obtained on exports to the United States of any such amounts of sugar goods and shall be provided within 30 days after the United

States exercises this option. The United States shall notify the Party at least 90 days before it exercises this option and, on request, shall enter into consultations with the Party regarding application of the mechanism.

2. For purposes of this Article, **sugar good** means a good provided for in the subheadings listed in subparagraph 3(c) of Appendix I to the Schedule of the United States to Annex 3.3.

Article 3.17: Consultations on Trade in Poultry

The Parties shall consult on, and review the implementation and operation of the Agreement as it relates to, trade in poultry in the ninth year after the date of entry into force of this Agreement.

Article 3.18: Agriculture Review Commission

The Parties shall establish an Agriculture Review Commission in the 14th year after the date of entry into force of this Agreement to review the implementation and operation of the Agreement as it relates to trade in agricultural goods. The Agriculture Review Commission shall evaluate the effects of trade liberalization under the Agreement, the operation of Article 3.15 and possible extension of agricultural safeguard measures under that Article, progress toward global agricultural trade reform in the WTO, and developments in world agricultural markets. The Agriculture Review Commission shall report its findings and any recommendations to the Commission.

Article 3.19: Committee on Agricultural Trade

1. Not later than 90 days after the date of entry into force of this Agreement, the Parties shall establish a Committee on Agricultural Trade, comprising representatives of each Party.

2. The Committee shall provide a forum for:

- (a) monitoring and promoting cooperation on the implementation and administration of this Section;
- (b) consultation between the Parties on matters related to this Section in coordination with other committees, subcommittees, working groups, or other bodies established under this Agreement; and
- (c) undertaking any additional work that the Commission may assign.

3. The Committee shall meet at least once a year unless it decides otherwise. Meetings of the Committee shall be chaired by the representatives of the Party hosting the meeting.

4. All decisions of the Committee shall be taken by consensus, unless the Committee otherwise decides.

Section G: Textiles and Apparel

Article 3.20: Refund of Customs Duties

1. On request of an importer, a Party shall refund any excess customs duties paid in connection with the importation into its territory of an originating textile or apparel good between January 1, 2004 and the date of entry into force of this Agreement for that Party. For purposes of applying this Article, the importing Party shall consider a good to be originating if the Party would have considered the good to be originating had it been imported into its territory on the date of entry into force of this Agreement for that Party.
2. Paragraph 1 shall not apply with respect to textile or apparel goods imported into, or imported from, the territory of a Party if it provides written notice to the other Parties by no later than 90 days before the date of entry into force of this Agreement for that Party that it will not comply with paragraph 1.
3. Notwithstanding paragraph 2, paragraph 1 shall apply with respect to textile or apparel goods imported from the territory of a Party if it provides written notice to the other Parties by no later than 90 days before the date of entry into force of this Agreement for that Party that it shall provide a benefit for textile or apparel goods imported into its territory that the importing and exporting Parties have agreed is equivalent to the benefit provided in paragraph 1.
4. This Article shall not apply to a textile or apparel good that qualifies for preferential tariff treatment under Article 3.21, 3.27, or 3.28.

Article 3.21: Duty-Free Treatment for Certain Goods

1. An importing and an exporting Party may identify at any time particular textile or apparel goods of the exporting Party that they mutually agree fall within:
 - (a) hand-loomed fabrics of a cottage industry;
 - (b) hand-made cottage industry goods made of such hand-loomed fabrics; or
 - (c) traditional folklore handicraft goods.
2. The importing Party shall grant duty-free treatment to goods so identified, if certified by the competent authority of the exporting Party.

Article 3.22: Elimination of Existing Quantitative Restrictions

Not later than the date of entry into force of this Agreement, the United States shall eliminate the existing quantitative restrictions it maintains under the Agreement on Textiles and Clothing as set out in Annex 3.22.

Article 3.23: Textile Safeguard Measures⁴

1. Subject to the following paragraphs, and during the transition period only, if, as a result of the reduction or elimination of a duty provided for in this Agreement, a textile or apparel good of another Party is being imported into the territory of a Party in such increased quantities, in absolute terms or relative to the domestic market for that good, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing a like or directly competitive good, the importing Party may, to the extent necessary to prevent or remedy such damage and to facilitate adjustment, apply a textile safeguard measure to that good, consisting of an increase in the rate of duty on the good to a level not to exceed the lesser of:

- (a) the most-favored-nation (MFN) applied rate of duty in effect at the time the measure is applied; and
- (b) the MFN applied rate of duty in effect on the date of entry into force of this Agreement.

2. In determining serious damage, or actual threat thereof, the importing Party:

- (a) shall examine the effect of increased imports of the good of the other Party on the particular industry, as reflected in changes in such relevant economic variables as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which, either alone or combined with other factors, shall necessarily be decisive; and
- (b) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

3. The importing Party may apply a textile safeguard measure only following an investigation by its competent authority.

4. If, on the basis of the results of the investigation under paragraph 3, the importing Party intends to apply a textile safeguard measure, the importing Party shall promptly provide written notice to the exporting Party of its intent to apply a textile safeguard measure, and on request shall enter into consultations with that Party. The importing Party and the exporting Party shall begin the consultations without delay and shall complete them within 60 days of the date of receipt of the request. The importing Party shall make a decision on whether to apply a safeguard measure within 30 days of completion of the consultations.

5. The following conditions and limitations apply to any textile safeguard measure:

⁴ This Article shall not apply between the Central American Parties.

- (a) no Party may maintain a textile safeguard measure for a period exceeding three years;
- (b) no Party may apply a textile safeguard measure to the same good of another Party more than once;
- (c) on termination of the textile safeguard measure, the Party applying the measure shall apply the rate of duty set out in its Schedule to Annex 3.3, as if the measure had never been applied; and
- (d) no Party may maintain a textile safeguard measure beyond the transition period.

6. The Party applying a textile safeguard measure shall provide to the Party against whose good the measure is taken mutually agreed trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the textile safeguard measure. Such concessions shall be limited to textile or apparel goods, unless the consulting Parties otherwise agree. If the consulting Parties are unable to agree on compensation within 30 days of application of a textile safeguard measure, the Party against whose good the measure is taken may take tariff action having trade effects substantially equivalent to the trade effects of the textile safeguard measure. Such tariff action may be taken against any goods of the Party applying the measure. The Party taking the tariff action shall apply such action only for the minimum period necessary to achieve the substantially equivalent trade effects. The importing Party's obligation to provide trade compensation and the exporting Party's right to take tariff action shall terminate when the textile safeguard measure terminates.

7. (a) Each Party retains its rights and obligations under Article XIX of the GATT 1994 and the Safeguards Agreement.
- (b) No Party may apply, with respect to the same good at the same time, a textile safeguard measure and:
- (i) a safeguard measure under Chapter Eight (Trade Remedies); or
 - (ii) a measure under Article XIX of the GATT 1994 and the Safeguards Agreement.

Article 3.24: Customs Cooperation⁵

1. The customs authorities of the Parties shall cooperate for purposes of:
- (a) enforcing or assisting in the enforcement of their respective laws, regulations, and procedures affecting trade in textile or apparel goods;

⁵ Paragraphs 2, 3, 4, 6, and 7 of this Article shall not apply between the Central American Parties.

- (b) ensuring the accuracy of claims of origin for textile or apparel goods; and
 - (c) deterring circumvention of laws, regulations, and procedures of any Party or international agreements affecting trade in textile or apparel goods.
2. (a) On the written request of an importing Party, an exporting Party shall conduct a verification for purposes of enabling the importing Party to determine:
- (i) that a claim of origin for a textile or apparel good is accurate, or
 - (ii) that the exporter or producer is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods, including:
 - (A) laws, regulations, and procedures that the exporting Party adopts and maintains pursuant to this Agreement; and
 - (B) laws, regulations, and procedures of the importing Party and the exporting Party implementing other international agreements regarding trade in textile or apparel goods.
- (b) A request under subparagraph (a) shall include specific information regarding the reason the importing Party is requesting the verification and the determination the importing Party is seeking to make.
- (c) The exporting Party shall conduct a verification under subparagraph (a)(i), regardless of whether an importer claims preferential tariff treatment for the textile or apparel good for which a claim of origin has been made.
3. The importing Party, through its competent authority, may assist in a verification conducted under paragraph 2(a), or, at the request of the exporting Party, undertake such a verification, including by conducting, along with the competent authority of the exporting Party, visits in the territory of the exporting Party to the premises of an exporter, producer, or any other enterprise involved in the movement of textile or apparel goods from the territory of the exporting Party to the territory of the importing Party.
4. (a) The competent authority of the importing Party shall provide a written request to the competent authority of the exporting Party 20 days before the proposed date of a visit under paragraph 3. The request shall identify the competent authority making the request, the names and titles of the authorized personnel that will conduct the visit, the reason for the visit, including a description of the type of goods that are the subject of the verification, and the proposed dates of the visit.
- (b) The competent authority of the exporting Party shall respond within 10 days of receipt of the request, and shall indicate the date on which authorized personnel of the importing Party may perform the visit. The exporting Party shall seek, in

accordance with its laws, regulations, and procedures, permission from the enterprise to conduct the visit. If consent is not provided, the importing Party may deny preferential tariff treatment to the type of goods of the enterprise that would have been the subject of the verification, except that the importing Party may not deny preferential tariff treatment to such goods based solely on a postponement of the visit, if there is adequate reason for such postponement.

- (c) Authorized personnel of the importing and exporting Parties shall conduct the visit in accordance with the laws, regulations, and procedures of the exporting Party.
- (d) On completion of a visit, the importing Party shall provide the exporting Party with an oral summary of the results of the visit and provide it with a written report of the results of the visit within approximately 45 days of the visit. The written report shall include:
 - (i) the name of the enterprise visited;
 - (ii) particulars of the shipments that were checked;
 - (iii) observations made at the enterprise relating to circumvention; and
 - (iv) an assessment of whether the enterprise's production records and other documents support its claims for preferential tariff treatment for:
 - (A) a textile or apparel good subject to a verification conducted under paragraph 2(a)(i); or
 - (B) in the case of a verification conducted under paragraph 2(a)(ii), any textile or apparel good exported or produced by the enterprise.

5. On request of a Party conducting a verification under paragraph 2(a), a Party shall provide, consistent with its laws, regulations, and procedures, production, trade, and transit documents and other information necessary to conduct the verification. Where the providing Party designates the information as confidential, Article 5.6 (Confidentiality) shall apply. Notwithstanding the foregoing, a Party may publish the name of an enterprise that:

- (a) the Party has determined to be engaged in intentional circumvention of laws, regulations, and procedures of any Party or international agreements affecting trade in textile or apparel goods; or
 - (b) has failed to demonstrate that it produces, or is capable of producing, textile or apparel goods.
6. (a) (i) During a verification conducted under paragraph 2(a), if there is insufficient information to support a claim for preferential tariff treatment,

the importing Party may take appropriate action, which may include suspending the application of such treatment to:

- (A) in the case of a verification conducted under paragraph 2(a)(i), the textile or apparel good for which a claim for preferential tariff treatment has been made; and
 - (B) in the case of a verification conducted under paragraph 2(a)(ii), any textile or apparel good exported or produced by the enterprise subject to that verification for which a claim for preferential tariff treatment has been made.
- (ii) On completion of a verification conducted under paragraph 2(a), if there is insufficient information to support a claim for preferential tariff treatment, the importing Party may take appropriate action, which may include denying the application of such treatment to any textile or apparel good described in clauses (i)(A) and (B).
 - (iii) During or on completion of a verification conducted under paragraph 2(a), if the importing Party discovers that an enterprise has provided incorrect information to support a claim for preferential tariff treatment, the importing Party may take appropriate action, which may include denying the application of such treatment to any textile or apparel good described in clauses (i)(A) and (B).
- (b)
 - (i) During a verification conducted under paragraph 2(a), if there is insufficient information to determine the country of origin, the importing Party may take appropriate action, which may include detention of any textile or apparel good exported or produced by the enterprise subject to the verification, but for no longer than the period permitted under its law.
 - (ii) On completion of a verification conducted under paragraph 2(a), if there is insufficient information to determine the country of origin, the importing Party may take appropriate action, which may include denying entry to any textile or apparel good exported or produced by the enterprise subject to the verification.
 - (iii) During or on completion of a verification conducted under paragraph 2(a), if the importing Party discovers that an enterprise has provided incorrect information as to the country of origin, the importing Party may take appropriate action, which may include denying entry to any textile or apparel good exported or produced by the enterprise subject to the verification.
- (c) The importing Party may continue to take appropriate action under any provision of this paragraph only until it receives information sufficient to enable it to make

the determination in paragraph 2(a)(i) or (ii), as the case may be, but in any event for no longer than the period permitted under its law.

- (d) The importing Party may deny preferential tariff treatment or entry under this paragraph only after providing a written determination to the importer of the reason for the denial.

7. Not later than 45 days after it completes a verification conducted under paragraph 2(a), the exporting Party shall provide the importing Party a written report on the results of the verification. The report shall include all documents and facts supporting any conclusion that the exporting Party reaches. After receiving the report, the importing Party shall notify the exporting Party of any action it will take under paragraph 6(a)(ii) or (iii) or 6(b)(ii) or (iii), based on the information provided in the report.

8. On the written request of a Party, two or more Parties shall enter into consultations to resolve any technical or interpretive difficulties that may arise, or to discuss ways to improve customs cooperation, regarding the application of this Article. Unless the consulting Parties otherwise agree, consultations shall begin within 30 days after delivery of the request, and conclude within 90 days after delivery.

9. A Party may request technical or other assistance from any other Party in implementing this Article. The Party receiving such a request shall make every effort to respond favorably and promptly to it.

Article 3.25: Rules of Origin and Related Matters

Consultations on Rules of Origin

1. On request of a Party, the Parties shall, within 30 days after the request is delivered, consult on whether the rules of origin applicable to a particular textile or apparel good should be modified.

2. In the consultations referred to in paragraph 1, each Party shall consider all data that a Party presents demonstrating substantial production in its territory of the good. The Parties shall consider that there is substantial production if a Party demonstrates that its domestic producers are capable of supplying commercial quantities of the good in a timely manner.

3. The Parties shall endeavor to conclude the consultations within 90 days after delivery of the request. If the Parties reach an agreement to modify a rule of origin for a particular good, the agreement shall supersede that rule of origin when approved by the Parties in accordance with Article 19.1.3(b) (The Free Trade Commission).

Fabrics, Yarns, and Fibers Not Available in Commercial Quantities

- 4. (a) At the request of an interested entity, the United States shall, within 30 business days of receiving the request, add a fabric, fiber, or yarn in an unrestricted or restricted quantity to the list in Annex 3.25, if the United States determines, based

on information supplied by interested entities, that the fabric, fiber, or yarn is not available in commercial quantities in a timely manner in the territory of any Party, or if no interested entity objects to the request.

- (b) If there is insufficient information to make the determination in subparagraph (a), the United States may extend the period within which it must make that determination by no more than 14 business days, in order to meet with interested entities to substantiate the information.
- (c) If the United States does not make the determination in subparagraph (a) within 15 business days of the expiration of the period within which it must make that determination, as specified in subparagraph (a) or (b), the United States shall grant the request.
- (d) The United States may, within six months after adding a restricted quantity of a fabric, fiber, or yarn to the list in Annex 3.25 pursuant to subparagraph (a), eliminate the restriction.
- (e) If the United States determines before the date of entry into force of this Agreement that any fabrics or yarns not listed in Annex 3.25 are not available in commercial quantities in the United States pursuant to section 112(b)(5)(B) of the *African Growth and Opportunity Act* (19 U.S.C. 3721(b)), section 204(b)(3)(B)(ii) of the *Andean Trade Preference Act* (19 U.S.C. 3203(b)(3)(B)(ii)), or section 213(b)(2)(A)(v)(II) of the *Caribbean Basin Economic Recovery Act* (19 U.S.C. 2703(b)(2)(A)(v)(II)), the United States shall add such fabrics or yarns in an unrestricted quantity to the list in Annex 3.25.

5. At the request of an interested entity made no earlier than six months after the United States has added a fabric, yarn, or fiber in an unrestricted quantity to Annex 3.25 pursuant to paragraph 4, the United States may, within 30 business days after it receives the request:

- (a) delete the fabric, yarn, or fiber from the list in Annex 3.25; or
- (b) introduce a restriction on the quantity of the fabric, yarn, or fiber added to Annex 3.25,

if the United States determines, based on the information supplied by interested entities, that the fabric, yarn, or fiber is available in commercial quantities in a timely manner in the territory of any Party. Such deletion or restriction shall not take effect until six months after the United States publishes its determination.

6. Promptly after the date of entry into force of this Agreement, the United States shall publish the procedures it will follow in considering requests under paragraphs 4 and 5.

De Minimis

7. A textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4.1 (Specific Rules of Origin), shall nonetheless be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than ten percent of the total weight of that component.⁶

8. Notwithstanding paragraph 7, a good containing elastomeric yarns⁷ in the component of the good that determines the tariff classification of the good shall originate only if such yarns are wholly formed in the territory of a Party.⁸

Treatment of Sets

9. Notwithstanding the specific rules of origin in Annex 4.1 (Specific Rules of Origin), textile or apparel goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the Harmonized System, shall not be regarded as originating goods unless each of the products in the set is an originating good or the total value of the non-originating goods in the set does not exceed ten percent of the adjusted value of the set.

Treatment of Nylon Filament Yarn

10. A textile or apparel good that is not an originating good because certain yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4.1 (Specific Rules of Origin), shall nonetheless be considered to be an originating good if the yarns are those described in section 204(b)(3)(B)(vi)(IV) of the *Andean Trade Preference Act* (19 U.S.C. 3203(b)(3)(B)(vi)(IV)).

Article 3.26: Most-Favored-Nation Rates of Duty on Certain Goods

For a textile or apparel good provided for in chapters 61 through 63 of the Harmonized System that is not an originating good, the United States shall apply its MFN rate of duty only on the value of the assembled good minus the value of fabrics formed in the United States, components knit-to-shape in the United States, and any other materials of U.S. origin used in the production of such a good, provided that the good is sewn or otherwise assembled in the territory

⁶ For greater certainty, when the good is a fiber, yarn, or fabric, the “component of the good that determines the tariff classification of the good” is all of the fibers in the yarn, fabric, or group of fibers.

⁷ For greater certainty, the term “elastomeric yarns” does not include latex.

⁸ For purposes of this paragraph, “wholly formed” means that all the production processes and finishing operations, starting with the extrusion of filaments, strips, film, or sheet, and including slitting a film or sheet into strip, or the spinning of all fibers into yarn, or both, and ending with a finished yarn or plied yarn, took place in the territory of a Party.

of another Party or Parties with thread wholly formed in the United States, from fabrics wholly formed in the United States and cut in one or more Parties, or from components knit-to-shape in the United States, or both.⁹

Article 3.27: Preferential Tariff Treatment for Wool Apparel Goods Assembled in Costa Rica

Annex 3.27 sets out provisions applicable to certain apparel goods of Costa Rica.

Article 3.28: Preferential Tariff Treatment for Non-Originating Apparel Goods of Nicaragua

Annex 3.28 sets out provisions applicable to certain apparel goods of Nicaragua.

Article 3.29: Definitions

For purposes of this Section:

claim of origin means a claim that a textile or apparel good is an originating good or a good of a Party;

exporting Party means the Party from whose territory a textile or apparel good is exported;

importing Party means the Party into whose territory a textile or apparel good is imported;

interested entity means a Party, a potential or actual purchaser of a textile or apparel good, or a potential or actual supplier of a textile or apparel good;

textile or apparel good means a good listed in the Annex to the Agreement on Textiles and Clothing, except for those goods listed in Annex 3.29;

textile safeguard measure means a measure applied under Article 3.23.1; and

transition period means the five-year period beginning on the date of entry into force of this Agreement.

⁹ For purposes of this paragraph, “wholly formed,” when used in reference to fabrics, means that all the production processes and finishing operations, starting with the weaving, knitting, needling, tufting, felting, entangling, or other process, and ending with a fabric ready for cutting or assembly without further processing, took place in the United States. The term “wholly formed,” when used in reference to thread, means that all the production processes, starting with the extrusion of filaments, strips, film, or sheet, and including slitting a film or sheet into strip, or the spinning of all fibers into thread, or both, and ending with thread, took place in the United States.

Section H: Institutional Provisions

Article 3.30: Committee on Trade in Goods

1. The Parties hereby establish a Committee on Trade in Goods, comprising representatives of each Party.
2. The Committee shall meet on the request of a Party or the Commission to consider any matter arising under this Chapter, Chapter Four (Rules of Origin and Origin Procedures), or Chapter Five (Customs Administration and Trade Facilitation).
3. The Committee's functions shall include:
 - (a) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement and other issues as appropriate;
 - (b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, if appropriate, referring such matters to the Commission for its consideration; and
 - (c) providing to the Committee on Trade Capacity Building advice and recommendations on technical assistance needs regarding matters relating to this Chapter, Chapter Four (Rules of Origin and Origin Procedures), or Chapter Five (Customs Administration and Trade Facilitation).

Section I: Definitions

Article 3.31: Definitions

For purposes of this Chapter:

AD Agreement means the *WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*;

advertising films and recordings means recorded visual media or audio materials, consisting essentially of images and/or sound, showing the nature or operation of goods or services offered for sale or lease by a person established or resident in the territory of a Party, provided that such materials are of a kind suitable for exhibition to prospective customers, but not for broadcast to the general public;

Agreement on Textiles and Clothing means the *WTO Agreement on Textiles and Clothing*;

agricultural goods means those goods referred to in Article 2 of the *WTO Agreement on Agriculture*;

commercial samples of negligible value means commercial samples having a value, individually or in the aggregate as shipped, of not more than one U.S. dollar, or the equivalent amount in the currency of another Party, or so marked, torn, perforated, or otherwise treated that they are unsuitable for sale or for use except as commercial samples;

consular transactions means requirements that goods of a Party intended for export to the territory of another Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations, or any other customs documentation required on or in connection with importation;

consumed means

- (a) actually consumed; or
- (b) further processed or manufactured so as to result in a substantial change in value, form, or use of the good or in the production of another good;

duty-free means free of customs duty;

export subsidies shall have the meaning assigned to that term in Article 1(e) of the WTO *Agreement on Agriculture*, including any amendment of that article;

goods intended for display or demonstration includes their component parts, ancillary apparatus, and accessories;

goods temporarily admitted for sports purposes means sports requisites for use in sports contests, demonstrations, or training in the territory of the Party into whose territory such goods are admitted;

import licensing means an administrative procedure requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body as a prior condition for importation into the territory of the importing Party;

Import Licensing Agreement means the WTO *Agreement on Import Licensing Procedures*;

performance requirement means a requirement that:

- (a) a given level or percentage of goods or services be exported;
- (b) domestic goods or services of the Party granting a waiver of customs duties or import license be substituted for imported goods;
- (c) a person benefiting from a waiver of customs duties or an import license purchase

other goods or services in the territory of the Party granting the waiver of customs duties or the import license, or accord a preference to domestically produced goods;

- (d) a person benefiting from a waiver of customs duties or an import license produce goods or supply services, in the territory of the Party granting the waiver of customs duties or the import license, with a given level or percentage of domestic content; or
- (e) relates in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows,

but does not include a requirement that:

- (f) an imported good be subsequently exported;
- (g) an imported good be used as a material in the production of another good that is subsequently exported;
- (h) an imported good be substituted by an identical or similar good used as a material in the production of another good that is subsequently exported; or
- (i) an imported good be substituted by an identical or similar good that is subsequently exported;

printed advertising materials means those goods classified in Chapter 49 of the Harmonized System, including brochures, pamphlets, leaflets, trade catalogues, yearbooks published by trade associations, tourist promotional materials, and posters, that are used to promote, publicize, or advertise a good or service, are essentially intended to advertise a good or service, and are supplied free of charge; and

SCM Agreement means the *WTO Agreement on Subsidies and Countervailing Measures*.

Annex 3.2

National Treatment and Import and Export Restrictions

Section A: Measures of Costa Rica

Articles 3.2 and 3.8 shall not apply to:

- (a) controls on the import of crude oil, its fuel, derivatives, asphalt, and gasoline pursuant to Law No. 7356 of September 6, 1993;
- (b) controls on the export of wood in logs and boards from forests pursuant to Law No. 7575 of April 16, 1996;
- (c) controls on the export of hydrocarbons pursuant to Law No. 7399 of May 3, 1994;
- (d) controls on the export of coffee pursuant to Law No. 2762 of June 21, 1961;
- (e) controls on the import and export of ethanol and crude rums pursuant to Law No. 8 of October 31, 1885;
- (f) controls to establish a minimum export price for bananas, pursuant to Law No. 7472 of January 19, 1995; and
- (g) actions authorized by the Dispute Settlement Body of the WTO.

Section B: Measures of El Salvador

Articles 3.2 and 3.8 shall not apply to:

- (a) controls on the importation of arms and ammunition, parts, and accessories included in HS Chapter 93, pursuant to Decree No. 655 of July 26, 1999 and its amendment pursuant to Decree No. 1035 of November 13, 2002;
- (b) controls on the importation of motor vehicles older than eight years, and on buses and trucks older than 15 years, pursuant to Article 1 of Decree No. 357 of April 6, 2001;¹⁰
- (c) controls on the importation of sacks and bags made out of jute and other similar textile fibers in subheading 6305.10 pursuant to Article 1 of Decree No. 1097 of July 10, 1953. El Salvador shall eliminate the controls identified in this subparagraph ten years after the date of entry into force of this Agreement; and

¹⁰ The controls identified in this subparagraph do not apply to remanufactured goods.

- (d) actions authorized by the Dispute Settlement Body of the WTO.

Section C: Measures of Guatemala

Articles 3.2 and 3.8 shall not apply to:

- (a) controls on the exportation of timber in round logs or worked logs and sawn timber measuring more than 11 centimeters in thickness, pursuant to the Forest Law, Legislative Decree No. 101-96 of October 31, 1996;
- (b) controls on the exportation of coffee pursuant to the Coffee Law, Legislative Decree No. 19-69 of April 22, 1969;
- (c) controls on the importation of weapons pursuant to the Weapon Law, Legislative Decree No. 39-89 of June 29, 1989; and
- (d) actions authorized by the Dispute Settlement Body of the WTO.

Section D: Measures of Honduras

Articles 3.2 and 3.8 shall not apply to:

- (a) controls on the exportation of wood from broadleaved forests pursuant to Decree No. 323-98 of December 29, 1998;
- (b) controls on the importation of arms and ammunitions pursuant to Article 292 of Decree No. 131 of January 11, 1982;
- (c) controls on the importation of motor vehicles older than seven years and buses older than ten years pursuant to Article 7 of Decree No. 194-2002 of May 15, 2002;¹¹ and
- (d) actions authorized by the Dispute Settlement Body of the WTO.

Section E: Measures of Nicaragua

Articles 3.2 and 3.8 shall not apply to:

1. (a) controls on the exportation of basic foodstuffs provided that these controls are used to temporarily alleviate a critical shortage of that particular food item. For

¹¹ The controls identified in this subparagraph do not apply to remanufactured goods.

the purposes of this subparagraph, “temporarily” means up to one year, or such longer period as the United States and Nicaragua may agree;

- (b) controls on the importation of motor vehicles older than seven years pursuant to Article 112 of Decree No. 453 of May 6, 2003;¹² and
- (c) actions authorized by the Dispute Settlement Body of the WTO.

2. For purposes of paragraph 1, “basic foodstuffs” include the following:

Beans
Brown sugar
Chicken meat
Coffee
Corn
Corn flour
Corn tortillas
Powdered milk
Rice
Salt
Vegetable oil

3. Notwithstanding Articles 3.2 and 3.8, for the first ten years after the date of entry into force of this Agreement, Nicaragua may maintain its existing prohibitions or restrictions on the importation of the used goods set out below:

<u>Tariff Classification</u>	<u>Description</u>
Subheading 4012.10	Used retreaded tires ¹³
Subheading 4012.20	Used pneumatic tires ¹⁴
Heading 63.09	Used clothing
Heading 63.10	Rags, scrap twine, cordage, rope, and cable, and worn out or unusable articles of twine, cordage, rope, or cables, of textile materials

¹² The controls identified in this subparagraph do not apply to remanufactured goods.

¹³ The controls identified in this subparagraph do not apply to remanufactured goods.

¹⁴ The controls identified in this subparagraph do not apply to remanufactured goods.

(Note: Descriptions are provided for reference purposes only. To the extent of a conflict between the tariff classification and the description, the tariff classification governs.)

Section F: Measures of the United States

Articles 3.2 and 3.8 shall not apply to:

- (a) controls on the export of logs of all species;
- (b)
 - (i) measures under existing provisions of the *Merchant Marine Act of 1920*, 46 App. U.S.C. § 883; the *Passenger Vessel Act*, 46 App. U.S.C. §§ 289, 292, and 316; and 46 U.S.C. § 12108, to the extent that such measures were mandatory legislation at the time of the accession of the United States to the General Agreement on Tariffs and Trade 1947 (GATT 1947) and have not been amended so as to decrease their conformity with Part II of the GATT 1947;
 - (ii) the continuation or prompt renewal of a non-conforming provision of any statute referred to in clause (i); and
 - (iii) the amendment to a non-conforming provision of any statute referred to in clause (i) to the extent that the amendment does not decrease the conformity of the provision with Articles 3.2 and 3.8;
- (c) actions authorized by the Dispute Settlement Body of the WTO; and
- (d) actions authorized by the Agreement on Textiles and Clothing.

Annex 3.3

Tariff Elimination

1. Except as otherwise provided in a Party's Schedule attached to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 3.3.2:

- (a) duties on goods provided for in the items in staging category A in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free:
 - (i) for textile or apparel goods:
 - (A) as of January 1, 2004, with respect to those goods to which Article 3.20.1 applies; or
 - (B) with respect to any other such goods, on the date this Agreement enters into force; and
 - (ii) for all other goods, on the date this Agreement enters into force;
- (b) duties on goods provided for in the items in staging category B in a Party's Schedule shall be removed in five equal annual stages beginning January 1 of year one, and such goods shall be duty-free, effective January 1 of year five;
- (c) duties on goods provided for in the items in staging category C in a Party's Schedule shall be removed in ten equal annual stages beginning on January 1 of year one, and such goods shall be duty-free, effective January 1 of year ten;
- (d) duties on goods provided for in the items in staging category D in a Party's Schedule shall be removed in 15 equal annual stages beginning on January 1 of year one, and such goods shall be duty-free, effective January 1 of year 15;
- (e) duties on goods provided for in the items in staging category E in a Party's Schedule shall remain at base rates for years one through six. Duties on these goods shall be reduced by 8.25 percent of the base rate on January 1 of year seven, and by an additional 8.25 percent of the base rate each year thereafter through year ten. Beginning on January 1 of year 11, duties shall be reduced by an additional 13.4 percent of the base rate annually through year 15, and such goods shall be duty-free effective January 1 of year 15;
- (f) duties on goods provided for in the items in staging category F in a Party's Schedule shall remain at base rates for years one through ten. Beginning January 1 of year 11, duties shall be reduced in ten equal annual stages, and such goods shall be duty-free effective January 1 of year 20;

- (g) goods provided for in the items in staging category G in a Party's Schedule shall continue to receive duty-free treatment; and
- (h) goods provided for in the items in staging category H in a Party's Schedule shall continue to receive most-favored-nation treatment.

2. The base rate of customs duty and staging category for determining the interim rate of customs duty at each stage of reduction for an item are indicated for the item in each Party's Schedule attached to this Annex.

3. For the purpose of the elimination of customs duties in accordance with Article 3.3, interim staged rates shall be rounded down, at least to the nearest tenth of a percentage point or, if the rate of duty is expressed in monetary units, at least to the nearest 0.001 of the official monetary unit of the Party.

4. If this Agreement enters into force for a Central American Party in accordance with Article 22.5.2 (Entry into Force), the Party shall apply the rates of duty set out in its Schedule as if the Agreement had entered into force for that Party on the date the Agreement entered into force in accordance with Article 22.5.1 (Entry into Force).

5. For purposes of this Annex, **year one** means:

- (a) the year the Agreement enters into force in accordance with Article 22.5.1 (Entry into Force), if the date of entry into force is in the first six-month period of a year; or
- (b) the year following entry into force in accordance with Article 22.5.1 (Entry into Force), if the date of entry into force is in the second six-month period of a year.

6. Notwithstanding paragraph 5, for purposes of the tariff treatment of textile or apparel goods to which Article 3.20.1 applies, **year one** shall be the year beginning January 1, 2004. Any Party that provides written notice under Article 3.20.2 shall apply the rates of duty set out in its Schedule for textile or apparel goods as if the Agreement had entered into force for that Party on January 1, 2004.

Annex 3.3.4

Implementation of Modifications Approved by the Parties to Accelerate the Elimination of Customs Duties

In the case of Costa Rica, agreements of the Parties under Article 3.3.4 will be equivalent to the instrument referred to in Article 121.4, third paragraph (*protocolo de menor rango*) of the *Constitución Política de la República de Costa Rica*.

Annex 3.11

Export Taxes

Costa Rica may maintain its existing taxes on the export of the following goods:

- (a) bananas, pursuant to Law No. 5515 of April 19, 1974 and its amendment (Law No. 5538 of June 18, 1974), and Law No. 4895 of November 16, 1971 and its amendments (Law No. 7147 of April 30, 1990 and Law No. 7277 of December 17, 1991);
- (b) coffee, pursuant to Law No. 2762 of June 21, 1961 and its amendment (Law No. 7551 of September 22, 1995); and
- (c) meat, pursuant to Law No. 6247 of May 2, 1978 and Law No. 7837 of October 5, 1998.

Annex 3.15

Agricultural Safeguard Measures

General Notes

1. For each good listed in a Party's Schedule to this Annex for which the agricultural safeguard trigger level is set out in that Schedule as a percentage of the applicable tariff-rate quota (TRQ), the trigger level in any year shall be determined by multiplying the in-quota quantity for that good for that year, as set out in Appendix I to the Party's Schedule to Annex 3.3, by the applicable percentage. For each good listed in a Party's Schedule to this Annex for which the trigger level is set out as a fixed initial amount in the Party's Schedule, the trigger level set out in the Schedule shall be the trigger level in year one. The trigger level in any subsequent year shall be determined by adding to that amount the quantity derived by applying the applicable simple annual trigger growth rate to that amount. For purposes of this Annex, the term "year one" shall have the meaning given to that term in Annex 3.3.

2. For the purposes of this Annex, **prime and choice beef** shall mean prime and choice grades of beef as defined in the United States Standards for Grades of Carcass Beef, promulgated pursuant to the *Agricultural Marketing Act of 1946* (7 U.S.C. §§ 1621-1627), as amended.

Schedule of Costa Rica

Subject Goods and Trigger Levels

1. For purposes of paragraphs 1 and 2 of Article 3.15, the goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

Good	Tariff Classification	Trigger Level	Annual Trigger Growth Rate
Beef	02011000, 02012000, 02013000, 02021000, 02022000, 02023000	150 MT	10%
Pork	02031100, 02031200, 02031900, 02032100, 02032200, 02032900	140% of TRQ	
Chicken Leg Quarters	02071399, 02071499	130% of TRQ	
Liquid Dairy	04011000, 04012000, 04013000	50 MT	10%
Milk Powder	04021000, 04022111, 04022112, 04022121, 04022122, 04022900	130% of TRQ	
Butter and	04051000, 04052000	130% of TRQ	

Good	Tariff Classification	Trigger Level	Annual Trigger Growth Rate
Dairy Spreads			
Cheese	04061000, 04062090, 04063000, 04069010, 04069020, 04069090	130% of TRQ	
Ice Cream	21050000	130% of TRQ	
Others Dairy Products	04029990, 22029090	130% of TRQ	
Tomatoes	07020000	50 MT	10%
Carrots	07061000	50 MT	10%
Sweet Peppers	07096010	50 MT	10%
Potatoes	07101000	50 MT	10%
Beans	07133200, 07133310, 07133390, 07133990	1,200 MT	10%
White Corn	10059030	9,000 MT	10%
Rough Rice	10061090	110% of TRQ	
Milled Rice	10062000, 10063010, 10063090, 10064000	110% of TRQ	
Vegetable Oil	15079000, 15121900, 15122900, 15152900, 15162090, 15171000, 15179010, 15179090	1,178 MT	5%
High Fructose Corn Syrup	17023020, 17024000, 17026000, 17029090	50 MT	10%

Additional Import Duty

2. For purposes of paragraph 3 of Article 3.15, the additional import duty shall be:
 - (a) For sweet peppers as listed in this Schedule:
 - (i) in years one through four, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;
 - (ii) in years five through eight, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and
 - (iii) in years nine through 11, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.
 - (b) For vegetable oil and pork as listed in this Schedule:

- (i) in years one through nine, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;
 - (ii) in years ten through 12, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and
 - (iii) in years 13 and 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.
- (c) For beef other than prime and choice beef as listed in this Schedule:
- (i) in years one through eight, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;
 - (ii) in years nine through 11, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and
 - (iii) in years 12 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.
- (d) For chicken leg quarters as listed in this Schedule:
- (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;
 - (ii) in years 14 and 15, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and

- (iii) in year 16, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.
- (e) For rice as listed in this Schedule:
 - (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;
 - (ii) in years 14 through 16, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and
 - (iii) in years 17 through 19, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.
- (f) For liquid dairy, cheese, butter, milk powder, ice cream, liquid dairy, and other dairy goods as listed in this Schedule:
 - (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;
 - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and
 - (iii) in years 18 and 19, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.
- (g) For goods listed in this Schedule and not specified in subparagraphs (a) through (f):
 - (i) in years one through five, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3;

- (ii) in years six through ten, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3; and
- (iii) in years 11 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Costa Rica to Annex 3.3.

Schedule of El Salvador

Subject Goods and Trigger Levels

1. For purposes of paragraphs 1 and 2 of Article 3.15, the goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

Good	Tariff Classification	Trigger Level	Annual Trigger Growth Rate
Chicken Leg Quarters	02071399, 02071499, 16023200	130% of TRQ	
Liquid Dairy	04011000, 04012000, 04013000	130% of TRQ	
Milk Powder	04021000, 04022111, 04022112, 04022121, 04022122, 04022900	130% of TRQ	
Buttermilk, Curdled Cream and Yogurt	04031000, 04039010, 04039090	130% of TRQ	
Butter	04051000, 04052000, 04059090	130% of TRQ	
Cheese	04061000, 04062090, 04063000, 04069010, 04069020, 04069090	130% of TRQ	
Ice Cream	21050000	130% of TRQ	
Other Dairy Products	21069020	130% of TRQ	
Pork	02031100, 02031200, 02031900, 02032100, 02032200, 02032900	130% of TRQ	
Rough Rice	10061090	110% of TRQ	
Milled Rice	10062000, 10063010, 10063090, 10064000	110% of TRQ	
Parboiled Rice	1006	110% of TRQ	
Beans	07133200, 07133390, 07133310	60 MT	10%
Sorghum	10070090	110% of TRQ	
Vegetable Oil	15079000, 15122900, 15152900, 15162090, 15121900	8,000 MT	5%
Canned Meat	16010010, 16010030, 16010080, 16010090, 16024990	400 MT	10%
High Fructose Corn Syrup	17023020, 17024000, 17025000, 17026000	75 MT	10%

Additional Import Duty

2. For purposes of paragraph 3 of Article 3.15, the additional import duty shall be:
 - (a) For liquid dairy, milk powder, butter, cheese, ice cream, other dairy products, buttermilk, curdled cream and yogurt goods as listed in this Schedule:
 - (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3;
 - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3; and
 - (iii) in years 18 and 19, less than or equal to 50 percent of the difference between the appropriate MFN rate as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3.
 - (b) For rough rice, milled rice, parboiled rice and chicken leg quarters as listed in this Schedule:
 - (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3;
 - (ii) in years 14 and 15, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3; and
 - (iii) in years 16 and 17, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3;
 - (c) For pork as listed in this Schedule:
 - (i) in years one through nine, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3;

- (ii) in years ten through 12, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3; and
 - (iii) in years 13 and 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3.
- (d) For vegetable oil and canned meat as listed in this Schedule that are subject to duty elimination under staging category N:
 - (i) in years one through four, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3;
 - (ii) in years five through eight, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3; and
 - (iii) in years nine through 11, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3.
- (e) For goods listed in this Schedule and not specified in subparagraphs (a) through (d):
 - (i) in years one through five, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3;
 - (ii) in years six through ten, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3; and
 - (iii) in years 11 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of El Salvador to Annex 3.3.

Schedule of Guatemala

Subject Goods and Trigger Levels

1. For purposes of paragraphs 1 and 2 of Article 3.15, the goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

Good	Tariff Classification	Trigger Level	Annual Trigger Growth Rate
Chicken Leg Quarters	02071399, 02071499, 16023200	130% of TRQ	
Liquid Dairy	04011000, 04012000	50 MT	10%
Cheese	04061000, 04062090, 04063000, 04069010, 04069020, 04069090	130% of TRQ	
Milk Powder	04021000, 04022111, 04022112, 04022121, 04022122, 04022900, 04039010, 04039090	130% of TRQ	
Butter	04051000, 0405200, 04059090, 04013000	130% of TRQ	
Ice Cream	21050000	130% of TRQ	
Other Dairy Products	22029090	130% of TRQ	
Pork	02031100, 02031200, 02031900, 02032100, 02032200, 02032900	130% of TRQ	
Rough Rice	10061090	110% of TRQ	
Milled Rice	10062000, 10063010, 10063090, 10064000	110% of TRQ	
Whole Beans	07133310	50 MT	5%
Vegetable Oil	15162090, 15162010, 15152900, 15122900, 15121900, 15079000	2,600 MT	5%
Pimientos	07096010	25MT	10%
Fresh Tomatoes	07020000	150MT	10%
High Fructose Corn Syrup	17026000	50MT	10%
Fresh Potatoes	07019000	350MT	10%
Onions	07031012	64 MT	10%

Additional Import Duty

2. For purposes of paragraph 3 of Article 3.15, the additional import duty shall be:
 - (a) For liquid dairy, cheese, milk powder, butter and ice cream goods as listed in this Schedule:
 - (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3;
 - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3; and
 - (iii) in years 18 and 19, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3.
 - (b) For chicken leg quarters, rough rice, and milled rice as listed in this Schedule:
 - (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3;
 - (ii) in years 14 and 15, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3; and
 - (iii) in years 16 and 17, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3.
 - (c) For pork, fresh potatoes, high fructose corn syrup and vegetable oil as listed in this Schedule that are subject to duty elimination under staging category D:
 - (i) in years one through five, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under

Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3;

- (ii) in years six through ten, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3; and
 - (iii) in years 11 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3.
- (d) For whole beans as listed in this Schedule:
- (i) in years one through nine, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3;
 - (ii) for years ten through 12, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3; and
 - (iii) for years 13 and 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3.
- (e) For pimientos, onions, tomatoes, vegetable oil, and other dairy goods as listed in this Schedule that are subject to duty elimination under staging category C:
- (i) in years one through four, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3;
 - (ii) in years five through seven, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3; and
 - (iii) in years eight and nine, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Guatemala to Annex 3.3.

Schedule of Honduras

Subject Goods and Trigger Levels

1. For purposes of paragraphs 1 and 2 of Article 3.15, the goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

Good	Tariff Classification	Trigger Level	Annual Trigger Growth Rate
Pork	02031100, 02031200, 02031900, 02032100, 02032200, 02032900	130% of TRQ	
Chicken Leg Quarters	02071399, 02071499, 16023200	130% of TRQ	
Liquid Dairy	04011000, 04012000, 04013000	50 MT	10%
Milk Powder	04021000, 04022111, 04022112, 04022121, 04022122, 04022900.	130% of TRQ	
Butter	04051000 04052000, 04059090	130% of TRQ	
Cheese	04061000, 04062090, 04063000, 04069010, 04069020, 04069090	130% of TRQ	
Ice Cream	21050000	130% of TRQ	
Other Dairy Products	22029090	130% of TRQ	
Rough rice	10061090	110% of TRQ	
Milled rice	10061020, 10063010, 10063090, 10064010, 10064090	110% of TRQ	
Onions	07031011, 07031012	480 MT	10%
Wheat Flour	11010000	210 MT	10%
Vegetable Oil	15079000, 15121900, 15122900, 15152900, 15162090, 15171000, 15179010, 15179090	3,500 MT	5%
Processed Meat	16010090	140 MT	10%
High Fructose Corn Syrup	17023020, 17024000, 17026000	214 MT	10%

Additional Import Duty

2. For purposes of paragraph 3 of Article 3.15, the additional import duty shall be:

- (a) For pork as listed in this Schedule:
 - (i) in years one through nine, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under

Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3;

- (ii) in years ten through 12, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3; and
 - (iii) in years 13 and 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3.
- (b) For chicken leg quarters, rough rice, and milled rice as listed in this Schedule:
- (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3;
 - (ii) in years 14 and 15, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3; and
 - (iii) in years 16 and 17, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3.
- (c) For liquid dairy, milk powder, butter, cheese, other dairy goods, and ice cream as listed in this Schedule:
- (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3;
 - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3; and
 - (iii) in years 18 and 19, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article

3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3.

- (d) For onions, wheat flour, vegetable oil, processed meat, and high fructose corn syrup goods as listed in this Schedule:
 - (i) in years one through five, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3;
 - (ii) in years six through ten, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3; and
 - (iii) in years 11 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Honduras to Annex 3.3.

Schedule of Nicaragua

Subject Goods and Trigger Levels

1. For purposes of paragraphs 1 and 2 of Article 3.15, the goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

Good	Tariff Classification	Trigger Level	Annual Trigger Growth Rate
Beef	02011000, 02012000, 02013000, 02021000, 02022000, 02023000	300 MT	10%
Chicken Leg Quarters	02071399, 02071499, 16023200	130% of TRQ	
Liquid Dairy	0401100011, 0401100019, 0401100020, 0401200011, 0401200019, 0401200020, 0401300011, 0401300019, 0401300020	50 MT	10%
Milk Powder	04021000, 04022111, 04022112, 04022121, 04022122, 04022900	130% of TRQ	
Butter	04051000, 04052000	130% of TRQ	
Cheese	04061000, 04062090, 04063000, 04064000, 04069010, 04069020, 04069090	130% of TRQ	
Ice Cream	21050000	130% of TRQ	
Other Dairy Products	1901909091, 1901909099, 22029090	130% of TRQ	
Onions	07031011, 07031012	450 MT	10%
Beans	07133200	700 MT	10%
Yellow corn	10059020	115% of TRQ	
Rough rice	10061090	110% of TRQ	
Milled rice	10062000, 10063010, 10063090, 10064000	110% of TRQ	
Sorghum	10070090	1,000 MT	10%
High Fructose Corn Syrup	17023020, 17024000, 17025000, 17026000	75 MT	10%

Additional Import Duty

2. For purposes of paragraph 3 of Article 3.15, the additional import duty shall be:

(a) For beef other than prime and choice beef as listed in this Schedule:

(i) in years one through seven, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3;

- (ii) in years eight through 11, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3; and
 - (iii) in years 12 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3.
- (b) For chicken leg quarters, rough rice, and milled rice as listed in this Schedule:
- (i) in years one through 13, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3;
 - (ii) in years 14 and 15, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3; and
 - (iii) in years 16 and 17, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3.
- (c) For liquid dairy, milk powder, butter, cheese, other dairy goods, and ice cream as listed in this Schedule:
- (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3;
 - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3; and
 - (iii) in years 18 and 19, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3.

- (d) For onions, beans, and high fructose corn syrup goods as listed in this Schedule:
 - (i) in years one through five, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3;
 - (ii) in years six through ten, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3; and
 - (iii) in years 11 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3.

- (e) For yellow corn and sorghum as listed in this Schedule:
 - (i) in years one through nine, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3;
 - (ii) in years ten through 12, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3; and
 - (iii) in years 13 and 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of Nicaragua to Annex 3.3.

Schedule of the United States

Subject Goods and Trigger Levels

1. For purposes of paragraphs 1 and 2 of Article 3.15, the goods that may be subject to an agricultural safeguard measure and the trigger level for each such good are set out below:

Good	Tariff Classification	Trigger Level
Cheese	04061008, 04061018, 04061028, 04061038, 04061048, 04061058, 04061068, 04061078, 04061088, 04062028, 04062033, 04062039, 04062048, 04062053, 04062063, 04062067, 04062071, 04062075, 04062079, 04062083, 04062087, 04062091, 04063018, 04063028, 04063038, 04063048, 04063053, 04063063, 04063067, 04063071, 04063075, 04063079, 04063083, 04063087, 04063091, 04064070, 04069012, 04069018, 04069032, 04069037, 04069042, 04069048, 04069054, 04069068, 04069074, 04069078, 04069084, 04069088, 04069092, 04069094, 04069097 19019036	130% of TRQ
Butter	04013075, 04022190, 04039065, 04039078, 04051020, 04052030, 04059020, 21069026, 21069036	130% of TRQ
Ice Cream	21050020	130% of TRQ
Fluid Fresh and Sour Cream	04013025, 04039016	130% of TRQ
Other Dairy	04022950, 04029170, 04029190, 04029945, 04029955, 04029990, 04031050, 04039095, 04041015, 04049050, 04052070, 15179060, 17049058, 18062026, 18062028, 18062036, 18062038, 18062082, 18062083, 18062087, 18062089, 18063206, 18063208, 18063216, 18063218, 18063270, 18063280, 18069008, 18069010, 18069018, 18069020, 18069028, 18069030, 19011030, 19011040, 19011075, 19011085, 19012015, 19012050, 19019043, 19019047, 21050040, 21069009, 21069066, 21069087, 22029028	130% of TRQ
Peanut Butter	20081115	130% of TRQ
Peanuts	12021080, 12022080, 20081135, 20081160	130% of TRQ

Additional Import Duty

2. For purposes of paragraph 3 of Article 3.15, the additional import duty shall be:
 - (a) For cheese, butter, milk powder, ice cream, fluid fresh and sour cream, and other dairy goods as listed in this Schedule:
 - (i) in years one through 14, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3;
 - (ii) in years 15 through 17, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3; and
 - (iii) in years 18 and 19, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3.
 - (b) For peanuts and peanut butter goods as listed in this Schedule:
 - (i) in years one through five, less than or equal to 100 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3;
 - (ii) in years six through ten, less than or equal to 75 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3; and
 - (iii) in years 11 through 14, less than or equal to 50 percent of the difference between the appropriate MFN rate of duty as determined under Article 3.15.1 and the applicable tariff rate in the Schedule of the United States to Annex 3.3.

Annex 3.22

Elimination of Existing Quantitative Restrictions

1. For Costa Rica:

Category 340/640:	Cotton and man-made fiber shirts, for men and boys
Category 342/642:	Cotton and man-made fiber skirts
Category 347/348:	Cotton trousers, breeches, and shorts
Category 443:	Wool suits, for men and boys
Category 447:	Wool trousers, for men and boys

2. For El Salvador:

Category 340/640:	Cotton and man-made fiber shirts, for men and boys
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3. For Guatemala:

Category 340/640:	Cotton and man-made fiber shirts, for men and boys
Category 347/348:	Cotton trousers, breeches, and shorts
Category 351/651:	Cotton and man-made fiber nightwear
Category 443:	Wool suits, for men and boys
Category 448:	Wool trousers, for women and girls

Annex 3.25

Short Supply List

1	Velveteen fabrics classified in subheading 5801.23.
2	Corduroy fabrics classified in subheading 5801.22, containing 85 percent or more by weight of cotton and containing more than 7.5 wales per centimeter.
3	Fabrics classified in subheading 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 centimeter, woven in the United Kingdom in accordance with the rules and regulations of the Harris Tweed Association, Ltd., and so certified by the Association.
4	Fabrics classified in subheading 5112.30, weighing not more than 340 grams per square meter, containing wool, not less than 20 percent by weight of fine animal hair and not less than 15 percent by weight of man-made staple fibers.
5	Batiste fabrics classified in subheading 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.
6	Fabrics classified in subheading 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52, or 5208.59, of average yarn number exceeding 135 metric.
7	Fabrics classified in subheading 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric.
8	Fabrics classified in subheading 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric.
9	Fabrics classified in subheading 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric.
10	Fabrics classified in subheading 5407.81, 5407.82, or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment.
11	Fabrics classified in subheading 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric.
12	Fabrics classified in subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number equal to or exceeding 95 metric.
13	Fabrics classified in subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number equal to or exceeding 95 metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling.
14	Fabrics classified in subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number exceeding 65 metric.

15	Circular knit fabric, wholly of cotton yarns, exceeding 100 metric number per single yarn, classified in tariff item 6006.21.aa, 6006.22.aa, 6006.23.aa, or 6006.24.aa.
16	100% polyester crushed panne velour fabric of circular knit construction classified in tariff item 6001.92.aa.
17	Viscose rayon yarns classified in subheading 5403.31 or 5403.32.
18	Yarn of combed cashmere, combed cashmere blends, or combed camel hair classified in tariff item 5108.20.aa.
19	Two elastomeric fabrics used in waistbands, classified in tariff item 5903.90.bb: (1) a knitted outer-fusible material with a fold line that is knitted into the fabric. The fabric is a 45 millimeter wide base substrate, knitted in narrow width, synthetic fiber based (made of 49% polyester/43% elastomeric filament/8% nylon with a weight of 4.4 ounces, a 110/110 stretch, and a dull yarn), stretch elastomeric material with an adhesive (thermoplastic resin) coating. The 45 millimeter width is divided as follows: 34 millimeter solid, followed by a 3 millimeter seam allowing it to fold over, followed by 8 millimeter of solid; (2) a knitted inner-fusible material with an adhesive (thermoplastic resin) coating that is applied after going through a finishing process to remove all shrinkage from the product. The fabric is a 40 millimeter synthetic fiber based, stretch elastomeric fusible consisting of 80% nylon type 6 and 20% elastomeric filament with a weight of 4.4 ounces, a 110/110 stretch, and a dull yarn.
20	Fabrics classified in subheading 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 135 metric.
21	Fabrics classified in subheading 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 135 metric.
22	Fabrics classified in subheading 5407.81, 5407.82, or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment of average yarn number exceeding 135 metric.
23	Cuprammonium rayon filament yarn classified in subheading 5403.39.
24	Fabrics classified in subheading 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric, of average yarn number exceeding 135 metric if the fabric is Oxford construction.
25	Single ring-spun yarn of yarn numbers 51 and 85 metric, containing 50 percent or more, but less than 85 percent, by weight of 0.9 denier or finer micro modal fiber, mixed solely with U.S. origin extra long pima cotton, classified in subheading 5510.30.
26	Tow of viscose rayon classified in heading 55.02.
27	100 percent cotton woven flannel fabrics, single ring-spun yarns of different colors, of yarn numbers 21 through 36 metric, classified in tariff item 5208.43.aa, of 2 x 2 twill weave construction, weighing not more than 200 grams per square meter.

28	Fabrics classified in the following tariff items of average yarn number exceeding 93 metric: 5208.21.aa, 5208.22.aa, 5208.29.aa, 5208.31.aa, 5208.32.aa, 5208.39.aa, 5208.41.aa, 5208.42.aa, 5208.49.aa, 5208.51.aa, 5208.52.aa, 5208.59.aa, 5210.21.aa, 5210.29.aa, 5210.31.aa, 5210.39.aa, 5210.41.aa, 5210.49.aa, 5210.51.aa, or 5210.59.aa.
29	Certain yarns of carded cashmere or of carded camel hair, classified in tariff item 5108.10.aa, used to produce woven fabrics classified in subheading 5111.11 or 5111.19.
30	Acid-dyeable acrylic tow classified in subheading 5501.30, for production of yarn classified in subheading 5509.31.
31	Untextured flat yarns of nylon classified in tariff item 5402.41.aa. The yarns are described as: (1) of nylon, 7 denier/5 filament nylon 66 untextured (flat) semi-dull yarn; multifilament, untwisted or with a twist not exceeding 50 turns/meter; (2) of nylon, 10 denier/7 filament nylon 66 untextured (flat) semi-dull yarn; multifilament, untwisted or with a twist not exceeding 50 turns/meter; or (3) of nylon, 12 denier/5 filament nylon 66 untextured (flat) semi-dull yarn; multifilament, untwisted or with a twist not exceeding 50 turns/meter.
32	Woven fabric classified in tariff item 5515.13.aa, combed of polyester staple fibers mixed with wool, and containing less than 36% by weight of wool.
33	Knitted fabric of 85% spun silk/15% wool (210 grams per square meter), classified in tariff item 6006.90.aa.
34	Woven fabrics classified in subheading 5512.99, containing 100% by weight of synthetic staple fibers, not of square construction, of average yarn number exceeding 55 metric.
35	Woven fabrics classified in subheadings 5512.21 or 5512.29, of 100% acrylic fibers, of average yarn number exceeding 55 metric.
36	Rayon filament sewing thread, classified in subheading 5401.20.
37	Poplin, ring spun, woven fabric of 97% cotton, 3% Lycra, classified in tariff item 5208.32.bb.
38	Polyester/Nylon/Spandex Synthetic Tri-blend (74/22/4%) woven fabric, classified in tariff item 5512.99.aa.
39	Two-way stretch woven fabric of polyester/rayon/spandex (62/32/6%), classified in tariff item 5515.19.aa.
40	Two-way stretch woven fabric of polyester/rayon/spandex (71/23/6%), classified in tariff item 5515.19.aa.
41	Dyed rayon blend (70% rayon/30% polyester) herringbone twill fabric, classified in subheading 5516.92, weighing more than 200 grams per square meter.
42	Printed 100% rayon herringbone fabric, classified in subheading 5516.14, weighing more than 200 grams per square meter.
43	Leaver's Lace classified in subheading 5804.21 or 5804.29.

Note: This list shall remain in effect until the United States publishes a replacement list that makes changes to the list pursuant to Article 3.25.4 or 3.25.5. Any replacement list shall supersede this list and any prior replacement list, and the United States shall publish the replacement list at the same time that the United States makes a determination pursuant to Article 3.25.4, and six months after the United States makes a determination pursuant to Article

3.25.5. The United States shall transmit a copy of any replacement list to the other Parties at the time it publishes the list.

Annex 3.27

**Preferential Tariff Treatment
for Wool Apparel Goods Assembled in Costa Rica**

1. Subject to paragraph 4, the United States shall apply a rate of duty that is 50 percent of the MFN rate of duty to men's, boys', women's, and girls' tailored wool apparel goods in textile categories 433, 435 (suit-type jackets only), 442, 443, 444, 447, and 448, all within headings 6203 and 6204, if they meet all applicable conditions for preferential tariff treatment,¹ and are both cut and sewn or otherwise assembled in the territory of Costa Rica, regardless of the origin of the fabric used to make the goods.

2. For purposes of determining the quantity of square meter equivalents (SME) charged against the limits set out in paragraph 4, the conversion factors listed in *Correlation: U.S. Textile and Apparel Category System with the Harmonized Tariff Schedule of the United States of America 2003*, U.S. Department of Commerce, Office of Textiles and Apparel, or successor publication, and reproduced in paragraph 3, shall apply.

3. The treatment described in paragraph 1 shall apply to the following goods:²

CAT	SMEF	Description	Unit of Measure
433	30.10	M&B SUIT-TYPE JACKETS	DZ
435	45.10	W&G SUIT-TYPE JACKETS ³	DZ
442	15.00	W&G SKIRTS	DZ
443	3.76	M&B SUITS	NO
444	3.76	W&G SUITS	NO
447	15.00	M&B SHORTS, TROUSERS, BREECHES	DZ
448	15.00	W&G SHORTS, TROUSERS, BREECHES	DZ

¹ For greater certainty, the applicable conditions for preferential tariff treatment include Chapter Rules 1, 3, and 4 for Chapter 62 of the specific rules of origin in Annex 4.1 (Specific Rules of Origin).

² For purposes of this paragraph:

DZ means dozen;

M&B means men's and boys';

NO means number;

SMEF means SME factor; and

W&G means women's and girls'.

³ For category 435, preferential tariff treatment is available only for suit-type jackets classified in subheading 6204.31 and tariff items 6204.33.aa, 6204.39.aa, and 6204.39.dd.

4. The treatment described in paragraph 1 shall be limited to goods imported into the territory of the United States up to a quantity of 500,000 SME in each of the first two years after the date of entry into force of this Agreement.

5. Costa Rica and the United States shall consult 18 months after the date of entry into force of this Agreement regarding the operation of this Annex and the availability of wool fabric in the region.

Annex 3.28

Preferential Tariff Treatment for Non-Originating Apparel Goods of Nicaragua

1. Subject to paragraph 4, the United States shall apply the applicable rate of duty set out in its Schedule to Annex 3.3 to the cotton and man-made fiber apparel goods listed in paragraph 3 and provided for in chapters 61 and 62 of the Harmonized System, if they meet the applicable conditions for preferential tariff treatment other than the condition that they be originating goods, and are both cut or knit to shape, and sewn or otherwise assembled, in the territory of Nicaragua.

2. For purposes of determining the quantity of square meter equivalents (SME) that is charged against the annual quantity, the conversion factors listed in *Correlation: U.S. Textile and Apparel Category System with the Harmonized Tariff Schedule of the United States of America 2003*, U.S. Department of Commerce, Office of Textiles and Apparel, or successor publication, and reproduced in paragraph 3, shall apply.

3. The treatment described in paragraph 1 shall apply to the following goods:¹

CAT	SMEF	Description	Unit of Measure
237	19.20	PLAYSUITS, SUNSUITS, ETC	DZ
239	6.30	BABIES' GARMENTS & CLOTHING ACCESS	KG
330	1.40	COTTON HANDKERCHIEFS	DZ
331	2.90	COTTON GLOVES AND MITTENS	DPR
332	3.80	COTTON HOSIERY	DPR
333	30.30	M&B SUIT-TYPE COATS, COTTON	DZ
334	34.50	OTHER M&B COATS, COTTON	DZ
335	34.50	W&G COTTON COATS	DZ
336	37.90	COTTON DRESSES	DZ

¹ For purposes of this paragraph:

DZ means dozen;

KG means kilogram;

DPR means dozen pairs;

M&B means men's and boys';

MMF means man-made fiber;

NO means number;

SMEF means SME factor; and

W&G means women's and girls'.

338	6.00	M&B COTTON KNIT SHIRTS	DZ
339	6.00	W&G COTTON KNIT SHIRTS/BLOUSES	DZ
340	20.10	M&B COTTON SHIRTS, NOT KNIT	DZ
341	12.10	W&G COTTON SHIRTS/BLOUSES, NOT KNIT	DZ
342	14.90	COTTON SKIRTS	DZ
345	30.80	COTTON SWEATERS	DZ
347	14.90	M&B COTTON TROUSERS/BREECHES/SHORTS	DZ
348	14.90	W&G COTTON TROUSERS/BREECHES/SHORTS	DZ
349	4.00	BRASSIERES, OTHER BODY SUPPORT GARMENTS	DZ
350	42.60	COTTON DRESSING GOWNS, ROBES, ETC.	DZ
351	43.50	COTTON NIGHTWEAR/PAJAMAS	DZ
352	9.20	COTTON UNDERWEAR	DZ
353	34.50	M&B COTTON DOWNFILLED COATS	DZ
354	34.50	W&G COTTON DOWNFILLED COATS	DZ
359	8.50	OTHER COTTON APPAREL	KG
630	1.40	MMF HANDKERCHIEFS	DZ
631	2.90	MMF GLOVES AND MITTENS	DPR
632	3.80	MMF HOSIERY	DPR
633	30.30	M&B MMF SUIT-TYPE COATS	DZ
634	34.50	OTHER M&B MMF COATS	DZ
635	34.50	W&G MMF COATS	DZ
636	37.90	MMF DRESSES	DZ
638	15.00	M&B MMF KNIT SHIRTS	DZ
639	12.50	W&G MMF KNIT SHIRTS & BLOUSES	DZ
640	20.10	M&B NOT-KNIT MMF SHIRTS	DZ
641	12.10	W&G NOT-KNIT MMF SHIRTS & BLOUSES	DZ
642	14.90	MMF SKIRTS	DZ
643	3.76	M&B MMF SUITS	NO
644	3.76	W&G MMF SUITS	NO
645	30.80	M&B MMF SWEATERS	DZ
646	30.80	W&G MMF SWEATERS	DZ
647	14.90	M&B MMF TROUSERS/BREECHES/SHORTS	DZ
648	14.90	W&G MMF TROUSERS/BREECHES/SHORTS	DZ
649	4.00	MMF BRAS & OTHER BODY SUPPORT GARMENTS	DZ
650	42.60	MMF ROBES, DRESSING GOWNS, ETC.	DZ
651	43.50	MMF NIGHTWEAR & PAJAMAS	DZ
652	13.40	MMF UNDERWEAR	DZ
653	34.50	M&B MMF DOWNFILLED COATS	DZ
654	34.50	W&G MMF DOWNFILLED COATS	DZ
659	14.40	OTHER MMF APPAREL	KG

4. The treatment described in paragraph 1 shall be limited as follows:

- (a) in each of the first five years after the date of entry into force of this Agreement, to goods imported into the territory of the United States up to a quantity of 100,000,000 SME;

- (b) in the sixth year, to goods imported into the territory of the United States up to a quantity of 80,000,000 SME;
- (c) in the seventh year, to goods imported into the territory of the United States up to a quantity of 60,000,000 SME;
- (d) in the eighth year, to goods imported into the territory of the United States up to a quantity of 40,000,000 SME; and
- (e) in the ninth year, to goods imported into the territory of the United States up to a quantity of 20,000,000 SME.

Beginning the tenth year after the date of entry into force of this Agreement, this Annex shall cease to apply.

Annex 3.29

Textile or Apparel Goods Not Covered by Section G

HS No.	Product Description
3005.90	Wadding, gauze, bandages, and the like
ex 3921.12 ex 3921.13 ex 3921.90	Woven, knitted, or non-woven fabrics coated, covered, or laminated with plastics
ex 6405.20	Footwear with soles and uppers of wool felt
ex 6406.10	Footwear uppers of which 50% or more of the external surface area is textile material
ex 6406.99	Leg warmers and gaiters of textile material
6501.00	Hat forms, hat bodies, and hoods of felt; plateaux and manchons of felt
6502.00	Hat shapes, plaited or made by assembling strips of any material
6503.00	Felt hats and other felt headgear
6504.00	Hats and other headgear, plaited or made by assembling strips of any material
6505.90	Hats and other headgear, knitted or made up from lace or other textile material
8708.21	Safety seat belts for motor vehicles
8804.00	Parachutes; their parts and accessories
9113.90	Watch straps, bands, and bracelets of textile materials
9502.91	Garments for dolls
ex 9612.10	Woven ribbons of man-made fibers, other than those measuring less than 30 millimeters in width and permanently put up in cartridges

Note: Whether or not a textile or apparel good is covered by this Section shall be determined in accordance with the Harmonized System. The descriptions provided in this Annex are for reference purposes only.