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Subject to legal Review for Accuracy, Clarity and Consistency
March 18, 2004

El Salvador
ANNEX 3.3

Notes

1. This annex contains temporary modifications of the provisions of the Sistema Arancelario Centroamericano (SAC) pursuant to this Agreement. Subject to note 4 of the General Notes of El Salvador, originating goods described in the provisions of this Annex are subject to duty at the rate set out in this Annex in lieu of the rate provided therefore in Chapters 1 through 97. Notwithstanding tariff-rate quota provisions provided for elsewhere in the SAC, originating goods shall be permitted to enter El Salvador in accordance with the provisions of this Annex. Furthermore, any quantity provided for the United States on goods described in this Annex shall not be counted toward any tariff-rate quota provided for such goods elsewhere in the SAC. Originating goods imported into El Salvador also shall not be subject to any of the provisions, duties, or limitations of the SAC established pursuant to Article 5 of the WTO Agreement on Agriculture.

2. El Salvador may maintain and administer performance requirements existing on the date of entry into force of this Agreement for the goods specified in this Annex provided that:
 - (a) the performance requirements are maintained at a level not to exceed the fixed percentage of the total in-quota quantity specified for the good;

 - (b) the performance requirements are administered so as not to impair the orderly fill of the in-quota quantity;

 - (c) the performance requirements are eliminated when the over-quota duty reaches zero; and

 - (d) the share of the in-quota quantity not subject to the performance requirements shall be opened and operated simultaneously with the share of in-quota quantity subject to the performance requirements.

Beef

3. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (d) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

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For United States:

<u>Year</u> (5% simple growth)	<u>Quantity</u> (Metric tons)
1	105
2	110
3	115
4	120
5	125
6	130
7	135
8	140
9	145
10	150
11	155
12	160
13	165
14	170
15	unlimited

The quantities shall enter on a first-come, first-serve basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (d) shall be removed in accordance with the provisions of staging category **D** in Annex xx, paragraph (x), except for meat categorized as “prime and choice” which shall be removed in accordance with the provisions of staging category **A** in Annex 3.3, paragraph x.
- (c) For the purpose of the provision established in paragraph (b), “prime and choice” shall be based upon the USDA definition.
- (d) Subparagraphs (a) and (b) apply to the following Table 1 provisions: 02012000, 02013000, 02022000, and 02023000.

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Pork

4. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

For United States:

<u>Year</u> (10% simple growth)	<u>Quantity</u> (Metric tons)
1	1,650
2	1,800
3	1,950
4	2,100
5	2,250
6	2,400
7	2,550
8	2,700
9	2,850
10	3,000
11	3,150
12	3,300
13	3,450
14	3,600
15	unlimited

The quantities shall enter on a first-come, first-serve basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category O in Annex xx, paragraph (x).

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- (c) Subparagraphs (a), (b) and (d) apply to the following Table 1 provisions: 02031100, 02031200, 02031900, 02032100, 02032200, and 02032900.
- (d) The United States may identify an export trading company to allocate to U.S. exporters the in-quota quantity of pork set forth above.
- (e) Fixed percentage of the total in-quota that can maintain performance requirements in accordance to General Note 2.

Years	Amount w/ P. R. (Metric tons)	Amount w/o P.R (Metric tons)
1	750	900
2	750	1,050
3	750	1,200
4	750	1,350
5	750	1,500
6	750	1,650
7	750	1,800
8	750	1,950
9	750	2,100
10	750	2,250
11	750	2,400
12	750	2,550
13	750	2,700
14	750	2,850

Dairy Products

For the United States:

- 5. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

0401: Milk and cream, not concentrated nor containing added sugar or other sweetening matter

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Year (5% compounded growth)	Quantity (Metric tons)
1	10
2	11
3	11
4	12
5	12
6	13
7	13
8	14
9	15
10	16
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	unlimited

The quantities shall enter on a first-come, first-serve basis.

0402: Milk and cream, concentrated or containing added sugar or other sweetening matter

Year (5% compounded growth)	Quantity (Metric tons)
1	300
2	315
3	331
4	347
5	365
6	383

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7	402
8	422
9	443
10	465
11	489
12	513
13	539
14	566
15	594
16	624
17	655
18	688
19	722
20	unlimited

The quantities shall enter on a first-come, first-serve basis.

0403: Buttermilk, curdled milk and cream, yogurt, kephir and other fermeted or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa:

<u>Year</u>	<u>Quantity</u>
(5% compounded growth)	(Metric tons)
1	10
2	11
3	11
4	12
5	12
6	13
7	13
8	14
9	15
10	16
11	16
12	17
13	18

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14	19
15	20
16	21
17	22
18	23
19	24
20	unlimited

The quantities shall enter on a first-come, first-serve basis.

0405: Butter and other fats and oils derived from milk; dairy spreads

Year (5% compounded growth)	Quantity (Metric tons)
1	100
2	105
3	110
4	116
5	122
6	128
7	134
8	141
9	148
10	155
11	163
12	171
13	180
14	189
15	198
16	208
17	218
18	229
19	241
20	unlimited

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The quantities shall enter on a first-come, first-serve basis.

0406: Cheese and curd

Year	Quantity
(5% compounded growth)	(Metric tons)
1	410
2	431
3	452
4	475
5	498
6	523
7	549
8	577
9	606
10	636
11	668
12	701
13	736
14	773
15	812
16	852
17	895
18	940
19	987
20	unlimited

The quantities shall enter on a first-come, first-serve basis.

21050000 : Ice Cream and other edible ice, inclusive with cocoa

Year	Quantity
(5% compounded growth)	(Metric tons)
1	120
2	126

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3	132
4	139
5	146
6	153
7	161
8	169
9	177
10	186
11	195
12	205
13	216
14	226
15	238
16	249
17	262
18	275
19	289
20	unlimited

The quantities shall enter on a first-come, first-serve basis.

21069020 : Food preparation for bakery products, crème, ice cream, gelatine, and other similar products (this description is not textual)

Year	Quantity
(5% compounded growth)	(Metric tons)
1	120
2	126
3	132
4	139
5	146
6	153
7	161
8	169
9	177
10	186

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11	195
12	205
13	216
14	226
15	238
16	249
17	262
18	275
19	289
20	unlimited

The quantities shall enter on a first-come, first-serve basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **F** in Annex xx, paragraph (x).
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions: 04011000, 04012000, 04013000, 04021000, 04022111, 04022112, 04022121, 04022122, 04022900, 04031000, 04039010, 04039090, 04051000, 04052000, 04059010, 04059090, 04061000, 04062090, 04063000, 04069010, 04069020, 04069090, 21050000 and 21069020.

Yellow Corn

- 6. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

For United States:

<u>Year</u>	<u>Quantity</u>
(5 % simple growth)	(Metric tons)
1	367,500
2	385,000

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3	402,500
4	420,000
5	437,500
6	455,000
7	472,500
8	490,000
9	507,500
10	525,000
11	542,500
12	560,000
13	577,500
14	595,000
15	unlimited

The quantities shall enter on a first-come, first-serve basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **O**.
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions: 10059020
- (d) Fixed percentage of the total in-quota that can maintain performance requirements in accordance to General Note 2.

Years	Amount w/P.R (Metric tons)	Amount w/o P.R. (Metric tons)
1	100,000	267,500
2	100,000	285,000
3	100,000	302,500
4	100,000	320,000
5	100,000	337,500
6	100,000	355,000
7	100,000	372,500
8	100,000	390,000
9	100,000	407,500

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10	100,000	425,000
11	100,000	442,500
12	100,000	460,000
13	100,000	477,500
14	100,000	495,000

White Corn

7. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

For United States:

<u>Year</u>	<u>Quantity</u>
(2 % simple growth)	(Metric tons)
1	35,700
2	36,400
3	37,100
4	37,800
5	38,500
6	39,200
7	39,900
8	40,600
9	41,300
10	42,000
11	42,700
12	43,400
13	44,100
14	44,800
15	45,500

After year 15, the quota grows at 700 MT per year

The quantities shall enter on a first-come, first-serve basis.

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- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **H** in Annex xx, paragraph (x).
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions: 10059030
- (d) Fixed percentage of the total in-quota that can maintain performance requirements in accordance to General Note 2, but terminates in year 15.

Years	Amount w/P.R. (Metric tons)	Amount w/o P.R. (Metric tons)
1	15,000	20,700
2	15,000	21,400
3	15,000	22,100
4	15,000	22,800
5	15,000	23,500
6	15,000	24,200
7	15,000	24,900
8	15,000	25,600
9	15,000	26,300
10	15,000	27,000
11	15,000	27,700
12	15,000	28,400
13	15,000	29,100
14	15,000	29,800
15	15,000	30,500

Sorghum

For the United States:

- 8.** (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

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<u>Year</u>	<u>Quantity</u>
(5 % simple growth)	(Metric tons)
1	263
2	275
3	288
4	300
5	313
6	325
7	338
8	350
9	363
10	375
11	388
12	400
13	413
14	425
15	unlimited

The quantities shall enter on a first-come, first-serve basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **D**, in Annex xx, paragraph (x).

Subparagraphs (a) and (b) apply to the following Table 1 provisions: 10070090.

Poultry

For the United States:

9. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

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<u>Year</u>	<u>Quantity</u> (Metric tons)
1	0
2	0
3	464
4	928
5	1,391
6	1,855
7	2,319
8	2,783
9	3,247
10	3,711
11	4,174
12	4,638
13	TBD
14	TBD
15	TBD
16	TBD
17	TBD
18	TBD

Only U.S. exporters utilizing the export trading company, as defined in subparagraph xx, shall fill the in-quota quantity of poultry set forth above.

TBD: After year 12, the quantity will be determined according to 5% of national production.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **P** in Annex xx, paragraph (x), for meat categorized as “leg quarters” (“cuartiles”). Duties of meat identified in subparagraph (c) categorized as “wings” (“alas”) shall be removed in accordance with the provisions of staging category **B** in Annex 3.3, paragraph x. Duties of meat identified in subparagraph (c) categorized as “the others” (“los demas”) shall be removed in accordance with the provisions of staging category **C** in Annex 3.3, paragraph x.

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(c) Subparagraphs (a) and (b) apply to the following Table 1 provisions: 02071399, 02071499, 16023200.

Rough Rice

For the United States:

- 10.** (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

<u>Year</u> (2% simple growth)	<u>Quantity</u> (Metric tons)
1	62,220
2	63,440
3	64,660
4	65,880
5	67,100
6	71,320
7	72,540
8	73,760
9	74,980
10	76,200
11	77,420
12	78,640
13	79,860
14	81,080
15	82,300
16	83,520
17	84,740
18	Unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **P** in Annex xx, paragraph (x).

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- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions: 10061090
- (d) The aggregate quantity of goods entered under the provisions listed in subparagraph (f), shall be free of duty in any calendar year specified herein, and shall not exceed either 3,000 MT for “parboiled rough” rice or its equivalent “parboiled milled” rice quantity, that would be calculated through a 0.7 conversion factor (1 MT of parboiled rough rice its equivalent to 0.7 MT of parboiled milled rice). When both types of parboiled rice are combined, the 0.7 conversion factor would have to be applied to the “parboiled milled” rice quota, for any calendar year.
- (e) Duties on goods entered from the United States in aggregate quantities in excess of the quantities provided in subparagraph (d) shall be treated in accordance with the provisions of staging category **P** in Annex xx, paragraph (h).
- (f) Subparagraphs (d) and (e) apply to “parboiled” rice only.
- (g) The entire in quota quantity, will be subject to the performance requirement and will be eliminated when the over quota duty reaches zero.

Milled Rice

- 11.** (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for each such year:

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For United States:

<u>Year</u>	<u>Quantity (Metric Tons)</u>
1	5,625
2	6,000
3	6,375
4	6,750
5	7,125
6	8,125
7	8,445
8	8,765
9	9,085
10	9,405
11	9,725
12	10,045
13	10,365
14	10,685
15	11,005
16	11,325
17	11,645
18	unlimited

The quantities shall enter on a first-come, first-serve basis.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) and duties on goods entered from United States on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category **P** in Annex xx, paragraph (x).
- (c) Subparagraphs (a) and (b) apply to white milled rice of the following Table 1 provisions: 10062000, 10063010, 10063090, and 10064000.