

**Draft as of March 22, 2007**  
**Subject to legal review for accuracy, clarity, and consistency.**

**Appendix I**  
**[UNITED STATES]**

Notes

1. This Appendix contains modifications of the provisions of the HTSUS. Originating goods included in this Appendix are subject to the rates of duty set out in this Appendix in lieu of the rates of duty set out in Chapters 1 through 97 of the HTSUS. Notwithstanding any tariff-rate quota provisions provided for elsewhere in the HTSUS, originating goods shall be permitted entry into the United States as provided in this Appendix. Furthermore, any quantity of originating goods imported under a tariff-rate quota provided in this Appendix shall not be counted toward the in-quota amount of any tariff-rate quota provided for such goods elsewhere in the HTSUS.

*Select Cheeses*

2. (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 Panama in each such year:

Year	Quantity
	(Metric tons)
1	525
2	551
3	579
4	608
5	638
6	670
7	704
8	739
9	776
10	814
11	855
12	898
13	943
14	990
15	1,039
16	1,091
17	unlimited

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

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category H in Annex 3.3, paragraph 1(h).
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions:  
AG04061018, AG04061028, AG04061038, AG04061048, AG04061058,  
AG04061068, AG04061078, AG04062028, AG04062033, AG04062039,  
AG04062048, AG04062053, AG04062063, AG04062067, AG04062071,  
AG04062075, AG04062079, AG04062083, AG04062087, AG04063018,  
AG04063028, AG04063038, AG04063048, AG04063053, AG04063063,  
AG04063067, AG04063071, AG04063075, AG04063079, AG04063083,  
AG04063087, AG04064070, AG04069012, AG04069018, AG04069032,  
AG04069037, AG04069042, AG04069048, AG04069054, AG04069068,  
AG04069074, AG04069078, AG04069084, AG04069088, AG04069092,  
AG04069094, and AG19019036.

*Other Cheeses*

3. (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 Panama in each such year:

Year	Quantity
	(Metric tons)
1	318
2	337
3	357
4	379
5	401
6	426
7	451
8	478
9	507
10	537
11	569
12	604
13	640
14	678
15	unlimited

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

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category G in Annex 3.3, paragraph 1(g).
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions:  
AG04061008, AG04061088, AG04062091, AG04063091, and AG04069097.

*Condensed and Evaporated Milk*

- 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 Panama in each such year:

Year	Quantity
	(Metric tons)
1	2,120
2	2,247
3	2,382
4	2,525
5	2,676
6	2,837
7	3,007
8	3,188
9	3,379
10	3,582
11	3,797
12	4,024
13	4,266
14	4,522
15	4,793
16	5,081
17	unlimited

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

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- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category H in Annex 3.3, paragraph 1(h).
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions: AG04029170, AG04029190, AG04029945, and AG04029955.

*Ice Cream*

- 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 Panama in each such year:

Year	Quantity
	(Metric tons)
1	1,590
2	1,685
3	1,787
4	1,894
5	2,007
6	2,128
7	2,255
8	2,391
9	2,534
10	2,686
11	2,847
12	3,018
13	3,199
14	3,391
15	unlimited

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

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category G in Annex 3.3, paragraph 1(g).
- (c) Subparagraphs (a) and (b) apply to the following Table 1 provision: AG21050020.

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*Sugar*

6. (a) Subject to subparagraph (d), 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 Panama in each such year:

Year	Quantity
	(Metric tons)
1	505
2	510
3	515
4	520
5	525
6	530
7	535
8	540
9	545
10	550
11	555
12	560
13	565
14	570
15	575

After year 15, the in-quota quantity grows at 5 metric tons per year.

The quantities of goods under the following tariff items shall be entered on a raw-value equivalent basis: AG17011150, AG17011250, AG17019130, AG17019950, AG17029020, and AG21069046. Raw-value equivalents for sugar goods are contained in Chapter 17, U.S. Additional Note 5(c) to the HTSUS.

The United States may administer the duty-free quantities established in this subparagraph through regulations, including licenses.

- (b) Goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall continue to receive most-favored-nation treatment.

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- (c) Subparagraphs (a) and (b) apply to the following Table 1 provisions:  
AG17011150, AG17011250, AG17019130, AG17019148, AG17019158,  
AG17019950, AG17022028, AG17023028, AG17024028, AG17026028,  
AG17029020, AG17029058, AG17029068, AG17049068, AG17049078,  
AG18061015, AG18061028, AG18061038, AG18061055, AG18061075,  
AG18062073, AG18062077, AG18062094, AG18062098, AG18069039,  
AG18069049, AG18069059, AG19012025, AG19012035, AG19012060,  
AG19012070, AG19019054, AG19019058, AG21011238, AG21011248,  
AG21011258, AG21012038, AG21012048, AG21012058, AG21039078,  
AG21069046, AG21069072, AG21069076, AG21069080, AG21069091,  
AG21069094, and AG21069097.
- (d) In any year, duty-free tariff treatment under subparagraph (a) for Panama shall be accorded to the lesser of (i) the aggregate quantity set out in subparagraph (a) for Panama, or (ii) a quantity equal to the amount by which Panama's exports to all destinations exceeds its imports from all sources ("trade surplus") for goods classified under the following subheadings: HS1701.11, HS1701.12, HS1701.91, HS1701.99, HS1702.40, and HS1702.60, except that Panama's exports to the United States of goods classified under subheadings HS1701.11, HS1701.12, HS1701.91, and HS1701.99 and its imports of originating goods of the United States classified under HS1702.40 and HS1702.60 shall not be included in the calculation of its trade surplus. Panama's trade surplus shall be calculated using the most recent annual data available.
- (e) The aggregate quantity of goods entered under the provisions listed in subparagraph (g) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for Panama in each such year:

Year	Quantity
	(Metric tons)
1	6,060
2	6,120
3	6,180
4	6,240
5	6,300
6	6,360
7	6,420
8	6,480
9	6,540
10	6,600

After year 10, the in-quota quantity shall remain at 6,600 metric tons.

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The quantities of goods established in this subparagraph shall be entered on a raw-value equivalent basis. Raw-value equivalents for sugar goods are contained in Chapter 17, U.S. Additional Note 5(c) to the HTSUS.

The United States may administer the duty-free quantities established in this subparagraph through regulations, including licenses.

- (f) Goods entered in aggregate quantities in excess of the quantities listed in subparagraph (e) shall continue to receive most-favored-nation treatment.
- (g) Subparagraphs (e) and (f) apply to the following Table 1 provision: AG17011150.
- (h) The aggregate quantity of goods of Panama entered under the provisions listed in subparagraph (j) shall be free of duty in any calendar year, and shall not exceed 500 metric tons in any year. The United States may administer the duty-free quantities established in this subparagraph through regulations, including licenses.
- (i) Goods of Panama entered in aggregate quantities in excess of the quantity listed in subparagraph (h) shall continue to receive most-favored-nation treatment.
- (j) Subparagraphs (h) and (i) apply to specialty sugars as provided for in Additional U.S. Note 5 to Chapter 17 of the Harmonized Tariff Schedule of the United States and classified in the following Table 1 provisions: AG17011110, AG17011210, AG17019110, AG17019910, AG17029010, and AG21069044.

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**Table 1**

<u>Heading</u>	<u>Article Description</u>
AG04029170	Provided for in tariff item 04029170
AG04029190	Provided for in tariff item 04029190
AG04029945	Provided for in tariff item 04029945
AG04029955	Provided for in tariff item 04029955
AG04061008	Provided for in tariff item 04061008
AG04061018	Provided for in tariff item 04061018
AG04061028	Provided for in tariff item 04061028
AG04061038	Provided for in tariff item 04061038
AG04061048	Provided for in tariff item 04061048
AG04061058	Provided for in tariff item 04061058
AG04061068	Provided for in tariff item 04061068
AG04061078	Provided for in tariff item 04061078
AG04061088	Provided for in tariff item 04061088
AG04062028	Provided for in tariff item 04062028
AG04062033	Provided for in tariff item 04062033
AG04062039	Provided for in tariff item 04062039
AG04062048	Provided for in tariff item 04062048
AG04062053	Provided for in tariff item 04062053
AG04062063	Provided for in tariff item 04062063
AG04062067	Provided for in tariff item 04062067
AG04062071	Provided for in tariff item 04062071
AG04062075	Provided for in tariff item 04062075
AG04062079	Provided for in tariff item 04062079
AG04062083	Provided for in tariff item 04062083
AG04062087	Provided for in tariff item 04062087
AG04062091	Provided for in tariff item 04062091
AG04063018	Provided for in tariff item 04063018
AG04063028	Provided for in tariff item 04063028
AG04063038	Provided for in tariff item 04063038
AG04063048	Provided for in tariff item 04063048
AG04063053	Provided for in tariff item 04063053
AG04063063	Provided for in tariff item 04063063
AG04063067	Provided for in tariff item 04063067
AG04063071	Provided for in tariff item 04063071
AG04063075	Provided for in tariff item 04063075
AG04063079	Provided for in tariff item 04063079
AG04063083	Provided for in tariff item 04063083
AG04063087	Provided for in tariff item 04063087
AG04063091	Provided for in tariff item 04063091
AG04064070	Provided for in tariff item 04064070
AG04069012	Provided for in tariff item 04069012
AG04069018	Provided for in tariff item 04069018



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AG04069032 Provided for in tariff item 04069032  
AG04069037 Provided for in tariff item 04069037  
AG04069042 Provided for in tariff item 04069042  
AG04069048 Provided for in tariff item 04069048  
AG04069054 Provided for in tariff item 04069054  
AG04069068 Provided for in tariff item 04069068  
AG04069074 Provided for in tariff item 04069074  
AG04069078 Provided for in tariff item 04069078  
AG04069084 Provided for in tariff item 04069084  
AG04069088 Provided for in tariff item 04069088  
AG04069092 Provided for in tariff item 04069092  
AG04069094 Provided for in tariff item 04069094  
AG04069097 Provided for in tariff item 04069097  
AG17011110 Provided for in tariff item 17011110  
AG17011150 Provided for in tariff item 17011150  
AG17011250 Provided for in tariff item 17011250  
AG17011210 Provided for in tariff item 17011210  
AG17019110 Provided for in tariff item 17019110  
AG17019130 Provided for in tariff item 17019130  
AG17019148 Provided for in tariff item 17019148  
AG17019158 Provided for in tariff item 17019158  
AG17019910 Provided for in tariff item 17019910  
AG17019950 Provided for in tariff item 17019950  
AG17022028 Provided for in tariff item 17022028  
AG17023028 Provided for in tariff item 17023028  
AG17024028 Provided for in tariff item 17024028  
AG17026028 Provided for in tariff item 17026028  
AG17029010 Provided for in tariff item 17029010  
AG17029020 Provided for in tariff item 17029020  
AG17029058 Provided for in tariff item 17029058  
AG17029068 Provided for in tariff item 17029068  
AG17049068 Provided for in tariff item 17049068  
AG17049078 Provided for in tariff item 17049078  
AG18061015 Provided for in tariff item 18061015  
AG18061028 Provided for in tariff item 18061028  
AG18061038 Provided for in tariff item 18061038  
AG18061055 Provided for in tariff item 18061055  
AG18061075 Provided for in tariff item 18061075  
AG18062073 Provided for in tariff item 18062073  
AG18062077 Provided for in tariff item 18062077  
AG18062094 Provided for in tariff item 18062094  
AG18062098 Provided for in tariff item 18062098  
AG18069039 Provided for in tariff item 18069039  
AG18069049 Provided for in tariff item 18069049  
AG18069059 Provided for in tariff item 18069059

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AG19012025 Provided for in tariff item 19012025  
AG19012035 Provided for in tariff item 19012035  
AG19012060 Provided for in tariff item 19012060  
AG19012070 Provided for in tariff item 19012070  
AG19019036 Provided for in tariff item 19019036  
AG19019054 Provided for in tariff item 19019054  
AG19019058 Provided for in tariff item 19019058  
AG21011238 Provided for in tariff item 21011238  
AG21011248 Provided for in tariff item 21011248  
AG21011258 Provided for in tariff item 21011258  
AG21012038 Provided for in tariff item 21012038  
AG21012048 Provided for in tariff item 21012048  
AG21012058 Provided for in tariff item 21012058  
AG21039078 Provided for in tariff item 21039078  
AG21050020 Provided for in tariff item 21050020  
AG21069044 Provided for in tariff item 21069044  
AG21069046 Provided for in tariff item 21069046  
AG21069072 Provided for in tariff item 21069072  
AG21069076 Provided for in tariff item 21069076  
AG21069080 Provided for in tariff item 21069080  
AG21069091 Provided for in tariff item 21069091  
AG21069094 Provided for in tariff item 21069094  
AG21069097 Provided for in tariff item 21069097