

DRAFT
Subject to Legal Review for Accuracy, Clarity and Consistency
March 3, 2004

ANNEX 1

Notes

1. This annex contains temporary modifications of the provisions of the Central American Tariff System (SAC) pursuant to this Agreement. Subject to note 4 of the General Notes of Costa Rica, 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 to Costa Rica 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 Costa Rica 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.

Pork

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 each such year:

For the United States:

Year	Quantity
	Metric Tons
1	1,100
2	1,200
3	1,300
4	1,400
5	1,500
6	1,625
7	1,750
8	1,875
9	2,000
10	2,125
11	2,275
12	2,425
13	2,575
14	2,725
15	unlimited

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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), shall be removed in accordance with the provisions of staging category R in Annex 3.3, subparagraph (3.c) (CR General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 02031100, 02031200, 02031900, 02032100, 02032200, and 02032900.

Poultry (“Leg Quarters”)

- 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 each such year:

For the United States:

Year	Quantity
	Metric Tons
1	330
2	360
3	390
4	420
5	450
6	480
7	510
8	540
9	570
10	600
11	630
12	660
13	690
14	720
15	750
16	780
17	unlimited

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), shall be removed in accordance with the provisions of staging category U in Annex 3.3, subparagraph (3.f) (CR General Notes) for meat categorized as “leg quarters”. Duties of meat identified in subparagraph (c) categorized as “wings” shall be removed in accordance with the provisions of staging category B in Annex 3.3, subparagraph (3.f) (CR General Notes). Duties of meat identified in subparagraph (c) categorized as “other” shall be removed in accordance with the provisions of staging category C in Annex 3.3, subparagraph (3.f) (CR General Notes).
- (c) Subparagraph (a) applies to the following items: 0207.13.99 and 0207.14.99, for leg quarters only, and subparagraph (b) applies to the following items: 0207.13.99 and 0207.14.99.

Milk Powder

- 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 the United States:

Year	Quantity
	Metric Tons
1	200
2	210
3	221
4	232
5	243
6	255
7	268
8	281
9	296
10	310
11	326
12	342
13	359
14	377
15	396

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16	416
17	437
18	458
19	481
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), shall be removed in accordance with the provisions of staging category F in Annex 3.3, subparagraph (3.f) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 0402.10.00, 0402.21.11, 0402.21.12, 0402.21.21, 0402.21.22, and 0402.29.00.

Butter

- 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:

For the United States:

Year	Quantity
	Metric Tons
1	150
2	158
3	165
4	174
5	182
6	191
7	201
8	211
9	222
10	233
11	244
12	257

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13	269
14	283
15	297
16	312
17	327
18	344
19	361
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), shall be removed in accordance with the provisions of staging category F in Annex 3.3, subparagraph (3.f) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 0405.10.00 and 0405.20.00.

Cheese

- 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 the United States:

Year	Quantity
	Metric Tons
1	410
2	431
3	452
4	475
5	498
6	523
7	549
8	577
9	606
10	636
11	668

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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.

- (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 F in Annex 3.3, subparagraph (3.f) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 0406.10.00, 0406.20.90, 0406.30.00, 0406.90.10, 0406.90.20, and 0406.90.90.

Ice Cream

- 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 the United States:

Year	Quantity
	Metric Tons
1	150
2	158
3	165
4	174
5	182
6	191
7	201
8	211
9	222

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10	233
11	244
12	257
13	269
14	283
15	297
16	312
17	327
18	344
19	361
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), shall be removed in accordance with the provisions of staging category F in Annex 3.3, subparagraph (3.f) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 2105.00.00.

Other Dairy Products

- 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:

For the United States:

Year	Quantity
	Metric Tons
1	140
2	147
3	154
4	162
5	170
6	179
7	188

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8	197
9	207
10	217
11	228
12	239
13	251
14	264
15	277
16	291
17	306
18	321
19	337
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), shall be removed in accordance with the provisions of staging category F in Annex 3.3, subparagraph (3.f) (General Notes) for the provisions listed in subparagraph (d)
- (c) 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 C in Annex 3.3, subparagraph (3.c) (General Notes) for the provisions listed in subparagraph (e)
- (d) Subparagraphs (a) and (b) apply to the following items: 0402.99.90, and 2202.90.90.

Rough Rice

- 9. (a) Costa Rica may maintain and administer performance requirements existing on the date of entry into force of this Agreement for rough rice provided that:
 - (i) the performance requirements are maintained at a level not to exceed the total in-quota quantity specified for the good;
 - (ii) the performance requirements are administered so as not to impair the orderly fill of the in-quota quantity; and

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- (iii) the performance requirements are eliminated when the over-quota duty reaches zero.
- (b) 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:

For the United States:

Year	Quantity
	Metric Tons
1	51,000
2	52,000
3	53,000
4	54,000
5	55,000
6	56,000
7	57,000
8	58,000
9	59,000
10	60,000
11	61,000
12	62,000
13	63,000
14	64,000
15	65,000
16	66,000
17	67,000
18	68,000
19	69,000
20	unlimited

- (c) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (b), shall be removed in accordance with the provisions of staging category V in Annex 3.3, subparagraph (3.g) (CR General Notes)
- (d) Subparagraphs (a), (b) and (c) apply to the following items: 1006.10.90.

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Milled Rice

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:

For the United States:

Year	Quantity
	Metric Tons
1	5,250
2	5,500
3	5,750
4	6,000
5	6,250
6	6,500
7	6,750
8	7,000
9	7,250
10	7,500
11	7,750
12	8,000
13	8,250
14	8,500
15	8,750
16	9,000
17	9,250
18	9,500
19	9,750
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), shall be removed in accordance with the provisions of staging category V in Annex 3.3, subparagraph (3.g) (CR General Notes)

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- (c) Subparagraphs (a) and (b) apply to the following items: 1006.20.00, 1006.30.10, 1006.30.90, 1006.40.00.

Fresh Potatoes

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:

For the United States:

Year	Quantity
	Metric Tons
1	300
2	306
3	312
4	318
5	324
6	330
7	336
8	342
9	348
10	354
11	360
12	366
13	372
14	378
15	384

After year 15, the quota grows a two percent per year, compounded.

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), shall be removed in accordance with the provisions of staging category H in Annex 3.3, subparagraph (3.h) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 0701.90.00.

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Fresh Onions

12. (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 the United States:

Year	Quantity
	Metric Tons
1	300
2	306
3	312
4	318
5	324
6	330
7	336
8	342
9	348
10	354
11	360
12	366
13	372
14	378
15	384

After year 15, the quota grows a two percent per year, compounded.

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), shall be removed in accordance with the provisions of staging category H in Annex 3.3, subparagraph (3.h) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 0703.10.11, 0703.10.12, 0703.10.13, and 0703.10.19.

Frozen French Fries

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13. (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 the United States:

Year	Quantity
	Metric Tons
1	2,631
2	2,763
3	2,901
4	3,046
5	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), shall be removed in accordance with the provisions of staging category B in Annex 3.3, subparagraph (3.b) (General Notes)
- (c) Subparagraphs (a) and (b) apply to the following items: 2004.10.00.