

Draft
Subject to Legal Review for Accuracy, Clarity, and Consistency.
March 31, 2004

GENERAL NOTES
TARIFF SCHEDULE OF THE UNITED STATES

1. Relation to the Harmonized Tariff Schedule of the United States (HTSUS). The provisions of this schedule are generally expressed in terms of the Harmonized Tariff Schedule of the United States, and the interpretation of the provisions of this schedule, including the product coverage of subheadings of this schedule, shall be governed by the General Notes, Section Notes, and Chapter Notes of the HTSUS. To the extent that provisions of this schedule are identical to the corresponding provisions of the HTSUS, the provisions of this schedule shall have the same meaning as the corresponding provisions of the HTSUS.

2. Base Rates of Duty. The base rates of duty set forth in this schedule reflect the USHTS Column 1 General rates of duty in effect January 10, 2003.

3. Staging. In addition to the staging categories listed in Annex IV, paragraph 1, this schedule contains staging categories U, V, and W:

- (a) rates of duty on originating goods provided for on items in staging category U shall be eliminated entirely and such goods shall be duty-free on January 1 of year one. For goods in subheadings 98120020, 98120040, 98130005, 98130010, 98130015, 98130020, 98130025, 98130030, 98130035, 98130040, 98130045, 98130050, 98130055, 98130060, 98130070, 98130075, and 98140050 duty-free means free without bond;
- (b) duties on goods provided for in the items in staging category V in a Party's schedule shall be removed immediately in accordance with existing WTO duty-elimination commitments (WTO Schedule XX for the United States);
- (c) originating goods provided for on items in staging category W shall be subject to the following provisions during the duty elimination period until January 1, year nine of the Agreement, at which time such goods shall be free of duty:
 - (i) for goods described in subheading 9802.00.80, at the time of entry the duty imposed upon the assembled article to be applied in accordance with the procedures specified in U.S. note 4 of subchapter II, chapter 98, of the HTS, shall be the rate applicable to the full value of the article itself under the staging obligations set forth for the appropriate provision in Chapters 1 to 97 of this schedule;
 - (ii) for goods described in subheading 9817.22.05, at the time of entry the duty imposed upon the assembled article to be applied in accordance with the procedures specified in U.S. note 4 of subchapter II, chapter 98, of the

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HTS, shall be the rate applicable to the full value of the article itself under the staging obligations set forth for the appropriate provision in Chapters 1 to 97 of this schedule;

- (iii) for goods described in tariff line 9817.61.01, at the time of entry the duty imposed upon the assembled article shall be the rate applicable to the full value of the article itself under the staging obligations set forth for the appropriate provision in Chapters 1 to 97 of this schedule.