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February 26, 2004

Guatemala
ANNEX 3.3

Notes

1. This annex contains temporary modifications of the provisions of the “Sistema Arancelario Centroamericano” (SAC) pursuant to this Agreement. Originating goods of the United States described in the provisions of this Annex are subject to duty at the rate set forth 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 “Sistema Arancelario Centroamericano” (SAC) originating goods of the United States shall be permitted to enter Guatemala 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 “Sistema Arancelario Centroamericano” (SAC).

2. Guatemala 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.

3. **Beef**

(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	1,060
2	1,120

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3	1,180
4	1,240
5	1,300
6	1,360
7	1,420
8	1,480
9	1,540
10	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 on provisions listed in subparagraph (c) shall be removed in accordance with the provisions of staging category C in Annex xx, paragraph (c).
- (c) Subparagraphs (a) and (b) apply to the following SAC Codes: 02012000, 02013000, 02022000, 02023000, except for “prime” and “choice” cuts as defined by the U.S. Department of Agriculture, which are subject to duty elimination category A.

3. Cheese

- (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	450
2	473
3	496
4	521
5	547
6	574
7	603
8	633
9	665
10	698
11	733
12	770
13	808
14	849
15	891

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16	936
17	982
18	1,031
19	1,083
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 xx, paragraph (f).
- (c) Subparagraphs (a) and (b) apply to the following SAC Codes: 04061000, 04062090, 04063000, 04069010, 04069020, 04069090.

4. Milk Powder

- (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	400
2	420
3	441
4	463
5	486
6	511
7	536
8	563
9	591
10	621
11	652
12	684
13	718
14	754
15	792
16	832
17	873
18	917
19	963
20	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 F in Annex xx, paragraph (f).
- (c) Subparagraphs (a) and (b) apply to the following SAC Codes: 04021000, 04022111, 04022112, 04022121, 04022122, 04022900, 04039010, 04039090.

5. Butter

- (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	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

- (b) 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 xx, paragraph (f).

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- (c) Subparagraphs (a) and (b) apply to the following SAC Codes: 04051000, 0405200, 04059090, 04013000.

6. Ice Cream

- (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	160
2	168
3	176
4	185
5	194
6	204
7	214
8	225
9	236
10	248
11	261
12	274
13	287
14	302
15	317
16	333
17	349
18	367
19	385
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 xx, paragraph (f).
- (c) Subparagraphs (a) and (b) apply to the following SAC Code: 21050000.

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7. Other Dairy Products

- (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	182
2	191
3	201
4	211
5	221
6	232
7	244
8	256
9	269
10	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 C in Annex xx, paragraph (f).
- (c) Subparagraphs (a) and (b) apply to the following SAC Code: 22029090

8. Pork

- (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	4,148
2	4,345
3	4,543
4	4,740
5	4,938
6	5,135
7	5,333

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8	5,530
9	5,728
10	5,925
11	6,123
12	6,320
13	6,518
14	6,715
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) shall be removed in accordance with the provisions of staging

category D in Annex xx, paragraph (f).

- (c) Subparagraphs (a) and (b) apply to the following SAC Codes: 02031100, 02031200, 02031900, 02032100, 02032200, 02032900.

9. Yellow Corn

- (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	525,000
2	550,000
3	575,000
4	600,000
5	625,000
6	650,000
7	675,000
8	700,000
9	725,000
10	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 C in Annex xx, paragraph (c).

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(c) Subparagraphs (a) and (b) apply to the following SAC Code: 10059020.

10. White Corn

(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 each such year:

For Guatemala:

Year	Quantity
	Metric Tons
1	20,400
2	20,800
3	21,200
4	21,600
5	22,000
6	22,400
7	22,800
8	23,200
9	23,600
10	24,000
11	24,400
12	24,800
13	25,200
14	25,600
15	26,000

After year 15, the quota grows at 400 MT per year.

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 treated in accordance with the provisions of staging category H in Annex xx, paragraph (h).

(c) Subparagraphs (a) and (b) apply to the following SAC Code: 10059030.

11. Rough Rice

(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:

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Year	Quantity Metric Tons
1	54,600
2	57,200
3	59,800
4	62,400
5	65,000
6	67,600
7	70,200
8	72,800
9	75,400
10	78,000
11	80,600
12	83,200
13	85,800
14	88,400
15	91,000
16	93,600
17	96,200
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) shall be removed in accordance with the provisions of paragraph (d).

(c) Subparagraphs (a) and (b) apply to the following SAC Code: 10061090.

12. Milled Rice

(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	10,500
2	11,000
3	11,500
4	12,000
5	12,500
6	13,000
7	13,500
8	14,000

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9	14,500
10	15,000
11	15,500
12	16,000
13	16,500
14	17,000
15	17,500
16	18,000
17	18,500
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) shall be removed in accordance with the provisions of staging category P in Annex xx, paragraph (d).
- (c) Subparagraphs (a) and (b) apply to the following SAC Codes: 10062000, 10063010, 10063090, 10064000.

13. Poultry

- (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (d), or the five percent (5%) of the annual national production of poultry meat - whichever is greater; 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	21,810
2	21,810
3	20,494
4	19,179
5	17,683
6	16,548
7	15,232
8	13,917
9	12,601
10	11,285
11	9,970
12	8,654
13	TBD
14	TBD

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15	TBD
16	TBD
17	TBD
18	unlimited

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

- (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 **P** in Annex xx, paragraph (x), for meat categorized as “leg quarters” (“cuartiles”). Duties of meat identified in subparagraph (d) 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 (d) categorized as “the others” (“los demas”) shall be removed in accordance with the provisions of staging category **C** in Annex 3.3, paragraph x.
- (c) Zero duty access under the tariff-rate quota shall be allocated exclusively through an Export Trading Company (ETC) formed in the United States jointly by the U.S. and Central American poultry industries and operated under a certificate of review issued by the U.S. Department of Commerce pursuant to the Export Trading Company Act, 15 U.S.C. §§ 4001-21, and the implementing regulations, 15 CFR Part 325. The ETC will allocate such zero duty access through an open and public auction system. There shall be no separate import licensing requirement for such access.
- (d) Subparagraphs (a) and (b) apply to the following SAC Codes: 02071399, 02071499, 16023200.