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Subject to Legal Review for Accuracy, Clarity and Consistency
February 26, 2004

Honduras
ANNEX 3.3

Notes:

This annex contains temporary modifications of the provisions of the Sistema Arancelario Centroamericano 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, originating goods of the United States shall be permitted to enter Nicaragua 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. Originating goods of the United States imported into Nicaragua also shall not be subject to any of the provisions, duties or limitations of Chapter 98 of the Sistema Arancelario Centroamericano.

1. Pork

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

Year	Quantity (Metric tons)
1	2,150
2	2,300
3	2,450
4	2,600
5	2,750
6	2,900
7	3,050
8	3,200
9	3,350
10	3,500
11	3,650
12	3,800
13	3,950
14	4,100
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 provision of staging category D in Annex XX, paragraph XX

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- c. Subparagraph a) and b) apply to the following Table 1 provisions:
02031100, 02031200, 02031900, 02032100, 02032200, 02032900
- d. The United States and Honduras may identify an export trading company to allocate to U.S. exporters the in-quota quantity of pork set forth above.

2. Poultry

- a. The aggregate quantity of goods entered under the provision listed in subparagraph d) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	0
2	0
3	534
4	1,069
5	1,603
6	2,138
7	2,672
8	3,206
9	3,741
10	4,275
11	4,810
12	5,344
13	TBD
14	TBD
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.

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

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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), (b) and (c) apply to the following Table 1 provisions: 02071399, 02071499, 16023200.
- e. The aggregate quantity of goods entered for years 13 to 18 will be determine after consultations by the Parties.

3. Powder milk

- a. The aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	300
2	315
3	331
4	347
5	365
6	383
7	402
8	422
9	443
10	465
11	489
12	513
13	539
14	566

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Year	Quantity (Metric tons)
15	594
16	624
17	655
18	688
19	722
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 provision of staging category F in Annex XX, paragraph XX.
- c. Subparagraph a) and b) apply to the following Table 1 provisions:
0402.10.00; 0402.21.11; 0402.21.12; 0402.21.21; 0402.21.22; 0402.29.00

4. Butter

- a. The aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

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

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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 provision of staging category F in Annex XX, paragraph XX.
- c. Subparagraph a) and b) apply to the following Table 1 provisions:
0405.10.00; 0405.20.00

5. Cheese

- a. The aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

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
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 provision of staging category F in Annex XX, paragraph XX.

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- c. Subparagraph a) and b) apply to the following Table 1 provisions:
0406.10.00; 0406.20.90; 0406.30.00; 0406.40.00; 0406.90.10; 0406.90.20
0406.90.90

6. *Ice cream*

- a. The aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

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

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 provision of staging category F in Annex XX, paragraph XX.
- c. Subparagraph a) and b) apply to the following Table 1 provisions 2105.00.00

7. *Other Dairy*

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- a. the aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	140
2	147
3	154
4	162
5	170
6	179
7	188
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 provision of staging category F in Annex XX, paragraph XX.
- c. Subparagraph a) and b) apply to the following Table 1 provisions:
2202.90.90

8. *Rough rice*

- a. the aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	91,800
2	93,600

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3	95,400
4	97,200
5	99,000
6	100,800
7	102,600
8	104,400
9	106,200
10	108,000
11	109,800
12	111,600
13	113,400
14	115,200
15	117,000
16	118,800
17	120,600
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 provision of staging category P in Annex XX, paragraph XX)
- c. Subparagraph a) and b) apply to the following Table 1 provisions 1006.10.90

9. Milled rice

- a. the aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	8,925
2	9,350
3	9,775
4	10,200
5	10,625
6	11,050
7	11,475
8	11,900
9	12,325
10	12,750
11	13,175
12	13,600

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13	14,025
14	14,450
15	14,875
16	15,300
17	15,725
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 provision of staging category P in Annex XX, paragraph XX)
- c. Subparagraph a) and b) apply to the following Table 1 provisions:
10062000, 10063010, 10063090, 10064010, 10064090

10. Yellow corn

- a. the aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	190,509
2	199,581
3	208,653
4	217,724
5	226,796
6	235,868
7	244,940
8	254,012
9	263,084
10	272,156
11	281,227
12	290,299
13	299,371
14	308,443
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 provision of staging category E in Annex XX, paragraph XX.

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c. Subparagraph a) and b) apply to the following Table 1 provisions 1005.90.20

11. White corn

a. the aggregate quantity of goods entered under the provision listed in subparagraph c) shall be free of duty in any calendar years specified here in, and shall no exceed the quantity specified below for each such year:

Year	Quantity (Metric tons)
1	23,460
2	23,920
3	24,380
4	24,840
5	25,300
6	25,760
7	26,220
8	26,680
9	27,140
10	27,600
11	28,060
12	28,520
13	28,980
14	29,440
15	29,900
16	30,360
17	30,820
18	31,280
19	31,740
20	32,200

After year 20 the quota shall grow at 460 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 applied in accordance with the provision of staging category H in Annex XX, paragraph XX.

c. Subparagraph a) and b) apply to the following Table 1 provisions 1005.90.30