

Annex 3.3
General Notes
Tariff Schedule of Chile

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

2. Base Rates of Customs Duty. The base rates of duty set forth in this schedule reflect the SACH most favored nation (MFN) rates of duty in effect January 1, 2003, except for the following tariff lines where the MFN applied rate of duty from entry into force this Agreement will be:

0207.13.00	25%
0207.14.00	25%
0207.26.00	25%
0207.27.00	25%
1001.90.00	31,5%
1101.00.00	31,5%
1507.10.00	31,5%
1507.90.00	31,5%
1508.10.00	31,5%
1508.90.00	31,5%
1509.10.00	31,5%
1509.90.00	31,5%
1510.00.00	31,5%
1511.10.00	31,5%
1511.90.00	31,5%
1512.11.10	31,5%
1512.11.20	31,5%
1512.19.10	31,5%
1512.19.20	31,5%
1512.21.00	31,5%
1512.29.00	31,5%
1513.11.00	31,5%
1513.19.00	31,5%
1513.21.00	31,5%
1513.29.00	31,5%
1514.10.00	31,5%
1514.90.00	31,5%
1515.21.00	31,5%

1515.29.00	31,5%
1515.50.00	31,5%
1515.90.00	31,5%
1701.11.00	98%
1701.12.00	98%
1701.91.00	98%
1701.99.00	98%

3. Section 0 of Customs Tariff Schedule of Chile. The headings of Section 0 of the SACH provided in the Tariff Schedule of Chile, includes the related Legal Notes of each heading, as cited therein, as well as the national Legal Notes provided for in that Section's heading, where applicable.

4. Staging. In addition to the staging categories listed in Annex 3.3, paragraph 1, this schedule contains staging categories P, O and V.

- (a) Duties on goods provided for in the items in staging category P shall be eliminated in three annual stages. On the date of entry into force of this Agreement, duties shall be reduced by 80 percent. Beginning January 1 of year two, duties shall be reduced by 90 percent. Such goods shall be duty free, effective January 1 of year three¹.
- (b) Duties on goods provided for in the items in staging category O shall remain at base rates for years one through two. Beginning January 1 of year three, such goods shall be duty-free.
- (c) Duties on goods provided for in the items in staging category V shall remain at base rates for years one through six. Beginning January 1 of year seven, duties shall be reduced by 3.3 percent. Beginning January 1 of year eight, duties shall be reduced by 21.7 percent. Beginning January 1 of year nine, duties shall be reduced by 40.0 percent. Beginning January 1 of year 10, duties shall be reduced by 58.3 percent. Beginning January 1 of year 11, duties shall be reduced by 76.7 percent. Such goods shall be duty-free effective January 1 of year 12.

¹ If this Agreement enters into force before January 1 of 2004, the rate of duty for such goods shall be reduced by 70 percent in year one and shall be duty free effective January 1 of year four.

ANNEX 1

Beef

1. (a) The aggregate quantity of goods entered under tariff lines 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:

<u>Year</u>	<u>Quantity</u>
	(Metric tons)
1	1,000
2	1,100
3	1,210
4	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, paragraph 1(b).
- (c) Subparagraphs (a) and (b) reference SACH subheadings 0201.10, 0201.20, 0201.30, 0202.10, 0202.20 and 0202.30.

Chicken and Turkey

2. (a) The aggregate quantity of goods entered under tariff lines 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:

<u>Year</u>	<u>Quantity</u>
	(Metric tons)
1	0
2	0
3	8,000
4	8,400
5	8,820
6	9,261
7	9,724
8	10,210
9	10,721
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 H in Annex 3.3, paragraph 1(h).
- (c) Subparagraphs (a) and (b) reference SACH subheadings 0207.13, 0207.14, 0207.26 and 0207.27.

Wheat, wheat flour, vegetable oils

3. For goods in SACH tariff lines 1001.90.00, 1101.00.00, 1507.10.00, 1507.90.00, 1508.10.00, 1508.90.00, 1509.10.00, 1509.90.00, 1510.00.00, 1511.10.00, 1511.90.00, 1512.11.10, 1512.11.20, 1512.19.10, 1512.19.20, 1512.21.00, 1512.29.00, 1513.11.00, 1513.19.00, 1513.21.00, 1513.29.00, 1514.10.00, 1514.90.00, 1515.21.00, 1515.29.00, 1515.50.00, and 1515.90.00, respectively, the following additional commitments shall apply.

- (a) Chile's customs duty shall be no higher than the rate of duty as set out in this Schedule.
- (b) In the event that Chile applies a mechanism that results in a customs duty that is below the rate of duty set out under subparagraph (a), Chile's customs duty applied to U.S. imports shall be the lesser of the prevailing customs duty applied on an MFN basis, or the customs duty applied to any other imports under any preferential arrangement.

Sugar

- 4. (a) Duties on goods listed in subparagraph (c) shall be removed in accordance with the provisions of staging category G in Annex 3.3, subparagraph 1(g).
- (b) Preferential tariff treatment under subparagraph (a) shall be accorded to a quantity of goods equal to the amount of the United States' trade surplus, by volume, from all sources in the following subheadings: HS1701.11, HS1701.12, HS1701.91, and HS1701.99. The United States' trade surplus will be calculated using the most recent annual data available.
- (c) The provisions in subparagraph (a) refer to the tariff lines in the SACH and the equivalent tariff lines in the HTSUS, for the following tariff lines:

SACH	Article description	HTSUS (8-digit)
1701.11	Cane or beet sugar and chemically pure sucrose, in solid form; Raw cane sugar, not containing added flavoring or coloring matter	
1701.12	Cane or beet sugar and chemically pure sucrose, in solid form; Raw beet sugar, not containing added flavoring or coloring matter	

1701.91	Cane or beet sugar and chemically pure sucrose, in solid form; Other, containing added coloring, or added flavoring matter.	
1701.99	Cane or beet sugar and chemically pure sucrose, in solid form; Other	
1702.90.aa	Cane/beet sugars & syrups (incl. invert sugar) and other sugar syrup blends, containing at least 50% by weight of fructose, w/soluble non-sugar solids equal to 6% or less by weight of total soluble solids. Note: Cane/beet sugar contained in this article will be subject to the tariff treatment applicable according to heading 1701 of the Chilean tariff schedule.	1702.90.20
1702.90.bb	Blended syrups described in add. US note 4 to chap. 17. Note: Cane/beet sugar contained in this article will be subject to the tariff treatment applicable according to heading 1701 of the Chilean tariff.	1702.90.58
1702.90.cc	Articles containing over 65% by dry wt. sugar, described in add. U.S note 2 to Ch.17. Note: Cane/beet sugar contained in this article will be subject to the tariff treatment applicable according to heading 1701 of the Chilean tariff schedule.	1702.90.68
2106.90.aa	Syrups derived from cane/beet sugar containing added coloring but not added flavoring. Note: Cane/beet sugar contained in this article will be subject to the tariff treatment applicable according to heading 1701 of the Chilean tariff schedule.	2106.90.46
2106.90.ee	Blended syrups described in add US note 4 to chapter 17. Note: Cane/beet sugar contained in this article will be subject to the tariff treatment applicable according to heading 1701 of the Chilean tariff schedule.	2106.90.91
2106.90.ff	Food preps, nesoi, articles containing over 65% by dry weight of sugar described in additional U.S. note 2 to chapter 17. Note: Cane/beet sugar contained in this article will be subject to the tariff treatment applicable according to heading 1701 of the Chilean tariff schedule.	2106.90.94

Sugar-Containing Products

5. (a) Duties on goods listed in subparagraph (c) shall be removed in accordance with the provisions of staging category G in Annex 3.3, subparagraph 1(g).
- (b) Preferential tariff treatment under subparagraph (a) shall be accorded to a quantity of goods equal to the amount of the United States' trade surplus, by volume, from all sources in the following goods: HS1702.20, HS1702.30, HS1702.90, HS1806.10, HS2101.12, HS2101.20, and HS210690. The United States' trade surplus will be calculated using the most recent annual data available.
- (c) The provisions in subparagraph (a) refer to the tariff lines in the SACH and the equivalent tariff lines in the HTSUS, for the following tariff lines:

SACH	Article description	HTSUS (8-digit)
1702.20.aa	Maple sugar and syrup, blended, described in add. US note 4 to chapter 17.	1702.20.28
1702.30.aa	Glucose & glucose syrup not containing fructose or containing in dry state less than 20% by weight of fructose; described in additional U.S. note 4 to chapter 17.	1702.30.28
1702.40.aa	Glucose & glucose syrup containing in the dry state at least 20% but less than 50% by weight of fructose; described in additional U.S. note 4 to chapter 17.	1702.40.28
1702.60.aa	Other fructose & fructose syrup containing in dry state >50% by wt. of fructose described in additional U.S. note 4 to chapter 17.	1702.60.28
1704.90.aa	Sugar confectionery, not containing cocoa, containing over 65% by dry weight of sugar described in U.S. note 2 to chapter 17.	1704.90.68
1704.90.bb	Sugar confectionery, not containing cocoa, containing over 10% by dry wt. of sugar described in add. US note 3 to chapter 17.	1704.90.78
1806.10.aa	Cocoa powder, containing less than 65% by dry wt. sugar	1806.10.15
1806.10.bb	Cocoa powder, containing over 65% by dry wt of sugar, described in add US note 2 to chapter 17.	1806.10.28

1806.10.cc	Cocoa powder, other, containing over 65% but less than 90% by dry weight of sugar.	1806.10.38
1806.10.dd	Cocoa powder, containing 90% or more by dry wt of sugar, described in add US note 2 to chapter 17.	1806.10.55
1806.10.ee	Cocoa powder, containing 90% or more by dry wt of sugar.	1806.10.75
1806.20.aa	Chocolate/oth preps with cocoa, over 2kg but not over 4.5 kg, containing over 65% by dry wt of sugar, described in add US note 2 to chapter 17.	1806.20.73
1806.20.bb	Chocolate/oth preps with cocoa, over 2kg but not over 4.5 kg, containing over 10% by dry wt of sugar, described in add US note 3 to chapter 17.	1806.20.77
1806.20.cc	Blended syrups w/chocolate or cocoa, o/2kg but not over 4.5 kg, not over 65% sugar, described in additional U.S. note 4 to chapter 17.	1806.20.94
1806.20.dd	Chocolate and preps w/cocoa, o/2kg but n/o 4.5 kg, containing over 10% by dry weight of sugar, described in additional U.S. note 3 to chapter 17.	1806.20.98
1806.90.aa	Blended syrups w/chocolate or cocoa, nesoi, described in additional U.S. note 4 to chapter 17.	1806.90.39
1806.90.bb	Chocolate and preps w/cocoa, containing over 65% by dry weight of sugar, described in additional U.S. note 2 to chapter 17.	1806.90.49
1806.90.cc	Chocolate and preps w/cocoa, nesoi, containing over 10% by dry weight of sugar, described in additional U.S. note 3 to chapter 17.	1806.90.59
1901.20.aa	Mixes and doughs for the prep of bakers wares of heading 1905, containing over 65% by weight of sugar, not put up for retail sale, described in additional U.S. note 2 to chapter 17.	1901.20.25
1901.20.bb	Mixes for bakers' wares, containing over 65% by weight of sugar not retail, described in additional U.S. note 2 to chapter 17.	1901.20.60
1901.90.aa	Food preps of flour, etc., nesoi, containing over 65% by weight of sugar, described in additional U.S. note 2 to chapter 17.	1901.90.54

1901.90.bb	Food preps of flour, etc., nesoi, containing over 10% by weight of sugar, described in additional U.S. note 3 to chapter 17.	1901.90.58
2101.12.aa	Preparations with the basis of extracts, essences and concentrates or with a basis of coffee, blended syrups described in additional U.S. note 4 to chapter 17.	2101.12.38
2101.12.bb	Preparations with the basis of extracts, essences and concentrates or with a basis of coffee, containing over 65% by dry weight of sugar described in additional U.S. note 2 to chapter 17.	2101.12.48
2101.12.cc	Preparations with the basis of extracts, essences and concentrates or with a basis of coffee, containing over 10% by dry weight of sugar described in additional U.S. note 3 to chapter 17.	2101.12.58
2101.20.aa	Extract/essence/concentrate or w/basis of tea or mate Blended syrups described in additional U.S. note 4 to chapter 17.	2101.20.38
2101.20.bb	Extract/essence/concentrate or w/basis of tea or mate, containing over 65% by dry weight of sugar, described in additional U.S. note 2 to chapter 17.	2101.20.48
2101.20.cc	Extract/essence/concentrate or w/basis of tea or mate, containing over 10% by dry weight of sugar, described in additional U.S. note 3 to chapter 17.	2101.20.58
2103.90.aa	Mixed condiments and mixed seasonings, described in add US note 3 to chapter 21.	2103.90.78
2106.90.bb	Blended syrups, nesoi, o/10% milk solids, described in additional U.S. note 4 to chapter 17.	2106.90.72
2106.90.cc	Food preps, nesoi, o/10% milk solids, containing over 65% by dry weight of sugar, described in additional U.S. note 2 to chapter 17.	2106.90.76
2106.90.dd	Food preps, nesoi, o/10% milk solids, containing over 10% by dry weight of sugar, described in additional U.S. note 3 to chapter 17.	2106.90.80
2106.90.gg	Food preps, nesoi, n/o 10% milk solids, containing over 10% by dry weight of sugar, described in additional U.S. note 3 to chapter 17.	2106.90.97

Wine

6. If, subsequent to the date of the signing of this Agreement, a Party grants to a non-Party wine producing country market access conditions more favorable than those agreed under staging category V in the General Notes to the SACH, such Party shall apply the same conditions to the other Party.