

## ANNEX 1

### Implementation of Duty-free Treatment for United states Imports of Products of Israel

Notes:

- A. The product descriptions and the articles provided for in each of the tariff items listed in this annex are the product descriptions and articles provided for in the same numbered item or statistical subdivision(s) of such item in the 1985 edition of the Tariff Schedules of the United States Annotated (TSUSA), as published on November 16, 1984, and effective January 1, 1985.
- B. Notwithstanding the provisions of paragraphs 2 and 3 below, to simplify the computation of the amount of duty imposed the rates of duty provided for in subparagraphs 2b and 3a, b, c, d, e, f, and g shall be rounded to the nearest 0.1 percent ad valorem or, if the rate of duty is expressed in monetary units, to the nearest 0.1 cent, in accordance with the following rule:

The rate of duty shall be rounded up to the nearest 0.1 percent or 0.1 cent if the rate of duty provided for in paragraph 2 or 3 has the number 5 or above as the second digit to the right of the decimal point; the rate of duty shall be rounded down to the nearest 0.1 percent or 0.1 cent if the rate of duty provided for in paragraph 2 or 3 has the number 4 or below as the second digit to the right of the decimal point.

1. Articles not covered by the provisions of paragraphs 2, 3, or 4 below shall be free of duty effective September 1, 1985.
2. Articles provided for in the items included in List A shall be subject to the following tariff treatment:
  - a) Effective September 1, 1985, the rate of duty listed opposite the item;
  - b) Effective January 1, 1987, a rate of duty which is 40 percent of the listed rate;
  - c) Effective January 1, 1989, free of duty.
3. Articles provided for in the items included in List B shall be subject to the following tariff treatment:
  - a) Effective September 1, 1985, a rate of duty which is 80 percent of the TSUS column 1 rate of duty on that date.
  - b) Effective January 1, 1986, a rate of duty which is 70 percent of the TSUS column 1 rate of duty on that date.
  - c) Effective January 1, 1987, a rate of duty which is 60 percent of the TSUS column 1 rate of duty on that date.

- d) Effective January 1, 1988, a rate of duty which is 50 percent of the TSUS column 1 rate of duty on that date.
- e) Effective January 1, 1989, a rate of duty which is 40 percent of the TSUS column 1 rate of duty on that date.
- f) Effective January 1, 1990, a rate of duty which is 30 percent of the TSUS column 1 rate of duty on that date.
- g) Effective January 1, 1992, a rate of duty which is 10 percent of the TSUS column 1 rate of duty on that date.
- h) Effective January 1, 1995, free of duty.

4. Articles provided for in the items included in List C shall be subject to the TSUS column 1 rate of duty for the respective item until January 1, 1990. The rates of duty to be applied on and after January 1, 1990, shall be determined after consultations between the Governments of Israel and the United States. Effective January 1, 1995, all such articles shall be free of duty.