

May 23, 2005

NAFTA RULES OF ORIGIN LIBERALIZATION – TRACK TWO

Amendments to Annex 401, Specific Rules of Origin

Cocoa and Cocoa Preparations

Chapter 18, 1806.32: Delete the rule of origin applicable to subheadings 1806.31, 1806.32 and 1806.90 and replace with the following:

1806.31-1806.90 A change to subheading 1806.31 through 1806.90 from any other subheading, including another subheading within that group.

Cranberry Juice

Chapter 20, 2009.90: Delete the rules of origin applicable to subheading 2009.90 and replace with the following:

A change to subheading 2009.90 from any other chapter;

A change to cranberry juice mixtures of subheading 2009.90 from any other subheading within Chapter 20, except from subheading 2009.11 through 2009.39 or cranberry juice of subheading 2009.80, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used; or

A change to any other good of subheading 2009.90 from any other subheading within Chapter 20, whether or not there is also a change from any other chapter, provided that a single juice ingredient, or juice ingredients from a single non-Party, constitute in single strength form no more than 60 percent by volume of the good.

Chapter 22, 2202.90: Delete the rule of origin applicable to subheading 2202.90 and replace with the following:

A change to cranberry juice mixtures of subheading 2202.90 from any other subheading, except from subheading 2009.11 through 2009.39 or cranberry juice of

subheading 2009.80, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used; or

A change to any other good of subheading 2202.90 from any other chapter.

Ores, Slag and Ash

Chapter 26, 26.01-26.21: Delete the rule of origin applicable to heading 26.01-26.21 and replace with the following:

26.01-26.21 A change to heading 26.01 through 26.21 from any other heading, including another heading within that group.

Leather

Chapter 41, 41.04-41.13, 41.15: Delete headings 41.04 through 41.15 and the rules of origin applicable thereto and replace with the following:

41.04 A change to heading 41.04 from any other heading, except from heading 41.07.

4105.10 A change to subheading 4105.10 from heading 41.02 or any other chapter.

4105.30 A change to subheading 4105.30 from heading 41.02, subheading 4105.10 or any other chapter.

4106.21 A change to subheading 4106.21 from subheading 4103.10 or any other chapter.

4106.22 A change to subheading 4106.22 from subheading 4103.10 or 4106.21 or any other chapter.

4106.31 A change to subheading 4106.31 from subheading 4103.30 or any other chapter.

4106.32 A change to subheading 4106.32 from subheading 4103.30 or 4106.31 or any other chapter.

- 4106.40 A change to tanned hides and skins in the wet state (including wet-blue) of subheading 4106.40 from subheading 4103.20 or any other chapter; or
- A change to crust hides and skins of subheading 4106.40 from subheading 4103.20 or tanned hides and skins in the wet state (including wet-blue) of subheading 4106.40 or any other chapter.
- 4106.91 A change to subheading 4106.91 from subheading 4103.90 or any other chapter.
- 4106.92 A change to subheading 4106.92 from subheading 4103.90 or 4106.91 or any other chapter.
- 41.07 A change to heading 41.07 from heading 41.01 or any other chapter.
- 41.12 A change to heading 41.12 from heading 41.02, subheading 4105.10 or any other chapter.
- 41.13 A change to heading 41.13 from heading 41.03, subheading 4106.21 or 4106.31, tanned hides and skins in the wet state (including wet-blue) of subheading 4106.40, subheading 4106.91 or any other chapter.
- 1.14 A change to heading 41.14 from heading 41.01 through 41.03 or any other chapter, except from hides or skins of heading 41.01 through 41.03 which have undergone a tanning (including pre-tanning) process which is reversible.
- 1.1-1.20 A change to subheading 4115.10 through 4115.20 from heading 41.01 through 41.03 or any other chapter.

Cork and Articles of Cork

Chapter 45, 45.01-45.02, 45.03-45.04: Delete headings 45.01-45.02 and 45.03-45.04 and the rules of origin applicable thereto and replace with the following:

- 45.01 - 45.04 A change to heading 45.01 through 45.04 from any other heading, including another heading within that group.

Filament Yarns of Viscose Rayon

Chapter 54, 54.08: Delete the rule of origin applicable to heading 54.08 and replace with

the following:

54.08 A change to heading 54.08 from filament yarns of viscose rayon of heading 54.03 or any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.

Tri-lobal Rayon Staple Fiber; Untextured Yarns of Nylon

Chapter 56, 56.01-56.09: Delete heading 56.01-56.09 and the rule of origin applicable thereto and replace with the following rules and footnote; and renumber subsequent footnotes:

56.01 A change to sanitary towels or tampons of subheading 5601.10 from tri-lobal rayon staple fiber (38 mm, 3.3 decitex) of subheading 5504.10 or any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55; or

A change to any other good of heading 56.01 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55.

56.02-56.05 A change to heading 56.02 through 56.05 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55.

56.06 A change to heading 56.06 from flat yarns¹ of subheading 5402.41 or any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, or Chapter 54 through 55.

56.07-56.09 A change to heading 56.07 through 56.09 from any other chapter, except from heading 51.06 through

¹ "Flat yarns" means, for purposes of this rule, 7 denier/5 filament, 10 denier/7 filament or 12 denier/5 filament, all of nylon 66, untextured (flat) semi-dull yarns, multifilament, untwisted or with a twist not exceeding 50 turns per meter, of subheading 5402.41.

51.13, 52.04 through 52.12, 53.07 through 53.08 or
53.10 through 53.11 or Chapter 54 through 55.

**Prepared Feathers and Down and Articles Made of Feathers or of Down;
Artificial Flowers; Articles of Human Hair**

Chapter 67, 67.01-67.04: Delete tariff item 6701.00.aa and headings 67.01 through 67.04 and the rules of origin applicable thereto and replace with the following:

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|---------------|---|
| 67.01 | A change to heading 67.01 from any other heading; or

A change to a good of feather or down of heading 67.01 from within that heading or any other heading. |
| 67.02 - 67.04 | A change to heading 67.02 through 67.04 from any other heading, including another heading within that group. |

Glass and Glassware

Chapter 70, 70.01-70.02: Delete heading 70.01-70.02 and the rule of origin applicable thereto and replace with the following:

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|-------------------|--|
| 70.01 | A change to heading 70.01 from any other heading. |
| 7002.10 | A change to subheading 7002.10 from any other heading. |
| 7002.20 | A change to subheading 7002.20 from any other chapter. |
| 7002.31 | A change to subheading 7002.31 from any other heading. |
| 7002.32 - 7002.39 | A change to subheading 7002.32 through 7002.39 from any other chapter. |

Non-ferrous Metals:

Copper

Chapter 74, 74.01-74.03: Delete heading 74.01-74.02 and 74.03 and the rules of origin applicable thereto and replace with the following:

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| 74.01-74.03 | A change to heading 74.01 through 74.03 from any |
|-------------|--|

other heading, including another heading within that group, except from heading 74.04; or

A change to heading 74.01 through 74.03 from heading 74.04, whether or not there is also a change from any other heading, including another heading within that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

Nickel and Articles Thereof

Chapter 75, 75.01-75.05, 75.07-75.08: Delete headings 75.01-75.04, 75.05 and 75.07-75.08 and the rules of origin applicable thereto and replace with the following:

- 75.01-75.04 A change to heading 75.01 through 75.04 from any other heading, including another heading within that group.

- 7505.11-7505.12 A change to subheading 7505.11 through 7505.12 from any other heading.

- 7505.21-7505.22 A change to subheading 7505.21 through 7505.22 from any other heading; or

 A change to subheading 7505.21 through 7505.22 from subheading 7505.11 through 7505.12, whether or not there is also a change from any other heading, provided that, if bar or rod is used, the cross-sectional area of the bar or rod is reduced by at least 50 percent.

- 7507.11 - 7508.90 A change to subheading 7507.11 through 7508.90 from any other subheading, including another subheading within that group.

Lead

Chapter 78, 78.03-78.06: Delete heading 78.03-78.06 and the rules of origin applicable thereto and replace with the following:

- 78.03 A change to heading 78.03 from any other heading; or

 A change to wire of heading 78.03 from within that heading, whether or not there is also a change from any other heading, provided that, if bar or rod is used, the cross-sectional area of the bar or rod is reduced by at least 50 percent.

- 7804.11-7804.20 A change to subheading 7804.11 through 7804.20 from any other subheading, including another subheading within that group; or

 A change to foil of a thickness not exceeding 0.15 mm (excluding backing) of subheading 7804.11 from

within that subheading, whether or not there is also a change from any other subheading.

78.05-78.06 A change to heading 78.05 through 78.06 from any other heading, including another heading within that group.

Zinc and Articles Thereof

Chapter 79, 79.01-79.03, 79.04-79.07: Delete headings 79.01-79.03 and 79.04-79.07 and the rules of origin applicable thereto and replace with the following:

79.01-79.02 A change to heading 79.01 through 79.02 from any other chapter.

7903.10 A change to subheading 7903.10 from any other chapter.

7903.90 A change to subheading 7903.90 from any other heading.

79.04 A change to heading 79.04 from any other heading; or
A change to wire of heading 79.04 from within that heading, whether or not there is also a change from any other heading, provided that, if bar or rod is used, the cross-sectional area of the bar or rod is reduced by at least 50 percent.

79.05 A change to heading 79.05 from any other heading; or
A change to foil of a thickness not exceeding 0.15 mm (excluding backing) of heading 79.05 from within that heading, whether or not there is also a change from any other heading.

79.06-79.07 A change to heading 79.06 through 79.07 from any other heading, including another heading within that group.

Tin

Chapter 80, 80.03-80.04, 80.05-80.07: Delete headings 80.03-80.04 and 80.05-80.07 and the rules of origin applicable thereto and replace with the following:

80.03 A change to heading 80.03 from any other heading; or

A change to wire of heading 80.03 from within that heading, whether or not there is also a change from any other heading, provided that, if bar or rod is used, the cross-sectional area of the bar or rod is reduced by at least 50 percent.

1.01-1.07 A change to heading 80.04 through 80.07 from any other heading, including another heading within that group.

Other Base Metals

Chapter 81, 8101.10-8101.94 - 81.12-81.13: Delete subheading 8101.10-8101.94 through heading 81.12-81.13 and the rules of origin applicable thereto and replace with the following:

8101.10-8113.00 A change to subheading 8101.10 through 8113.00 from any other subheading, including another subheading within that group.

Televisions

Chapter 85, 8528.12.bb: Delete the first rule applicable to tariff item 8528.12 bb and the Note immediately following which refers to "Commencing on January 1, 1999, ...".

Chapter 85, 8528.12.ff, 8528.12: Delete tariff items 8528.12.ff and subheading 8528.12 and the rules of origin applicable thereto and replace with the following:

8528.12 A change to subheading 8528.12 from tariff item 8528.12.gg or any other heading.

Chapter 85, 8528.13: Delete the rule of origin applicable to subheading 8528.13 and replace with the following:

8528.13 A change to subheading 8528.13 from any other heading.

Chapter 85, 8528.21.bb: Delete the first rule applicable to tariff item 8528.21 bb and the Note immediately following which refers to "Commencing on January 1, 1999, ...".

Chapter 85, 8528.21.ff, 8528.21: Delete tariff items 8528.21.ff and subheading 8528.21 and the rules of origin applicable thereto and replace with the following:

8528.21 A change to subheading 8528.21 from tariff item 8528.21.gg or any other heading.

Chapter 85, 8528.22: Delete the rule of origin applicable to subheading 8528.22 and replace with the following:

8528.22 A change to subheading 8528.22 from any other heading.

Chapter 85, 8528.30.ff, 8528.30: Delete tariff items 8528.30.ff and subheading 8528.30 and the rules of origin applicable thereto and replace with the following:

8528.30 A change to subheading 8528.30 from tariff item
8528.30.gg or any other heading.

Information Technology Agreement (ITA) Goods

Chapter 84, 8477.10: Delete the rule of origin applicable to subheading 8477.10 and replace with the following:

8477.10 A change to a good of subheading 8477.10 from within that
subheading or any other subheading.

Chapter 84, 8477.90: Delete the rule of origin applicable to subheading 8477.90 and replace with the following:

8477.90 A change to a good of subheading 8477.90 from within that
subheading or any other subheading.

Chapter 85, 8504.40-8504.50: Delete tariff items 8504.40.aa and 8504.40.bb, subheading 8504.40 and 8504.50 and the rules of origin applicable thereto and replace with the following:

8504.40-8504.50 A change to a good of any of subheading 8504.40 through
8504.50 from within that subheading or any other
subheading, including another subheading within that
group.

Chapter 85, 8533.10-8533.40: Delete subheadings 8533.10-8533.39 and 8533.40, and the rules of origin applicable thereto and replace with the following:

8533.10-8533.40 A change to a good of any of subheading 8533.10 through
8533.40 from within that subheading or any other
subheading, including another subheading within that
group.

Chapter 85, 8543.11, 8543.30, 8543.81-8543.90: Delete subheading 8543.11-8543.81, tariff item 8543.89.aa and subheading 8543.89 and the rules of origin applicable thereto and replace with the following:

- 8543.11 A change to a good of subheading 8543.11 from within that subheading or any other subheading.
- 8543.19-8543.20 A change to subheading 8543.19 through 8543.20 from any other heading; or
- A change to subheading 8543.19 through 8543.20 from subheading 8543.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
 - (b) 50 percent where the net cost method is used.
- (Formatting only – no change in intent)*
- 8543.30 A change to a good of subheading 8543.30 from within that subheading or any other subheading.
- 8543.40 A change to subheading 8543.40 from any other heading; or
- A change to subheading 8543.40 from subheading 8543.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
 - (b) 50 percent where the net cost method is used.
- (Formatting only – no change in intent)*
- 8543.81-8543.89 A change to a good of any of subheading 8543.81 through 8543.89 from within that subheading or any other subheading, including another subheading within that group.

Chapter 90, 9009.11: Delete the rule of origin applicable to subheading 9009.11 and replace with the following:

- 9009.11 A change to a good of subheading 9009.11 from within that subheading or any other subheading.

Chapter 90, 9009.91-9009.99: Delete subheading 9009.91-9009.93, tariff item 9009.99.aa, subheading 9009.99 and the rules of origin applicable thereto and replace with the following:

9009.91-9009.99 A change to a good of any of subheading 9009.91 through 9009.99 from within that subheading or any other subheading including another subheading within that group.

Controls

Chapter 90, 9032.20-9032.89: Delete the rules of origin applicable to subheading 9032.20-9032.89 and replace with the following:

9032.20-9032.89² A change to subheading 9032.20 through 9032.89 from any other heading; or

A change to subheading 9032.20 through 9032.89 from subheading 9032.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 45 percent where the transaction value method is used, or
- (b) 35 percent where the net cost method is used.

² If the good provided for in subheading 9032.89 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.