

GENERAL NOTES
TARIFF SCHEDULE OF THE UNITED STATES

1. Relation to the Harmonized Tariff Schedule of the United States (HTSUS). The provisions of this Schedule are generally expressed in terms of the HTSUS, and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes, and Chapter Notes of the HTSUS. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HTSUS, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HTSUS.
2. Base Rates of Customs Duty. The base rates of customs duty set forth in this Schedule reflect the HTSUS Column 1 General rates of duty in effect on January 1, 2004.
3. Staging. In addition to the staging categories listed in Annex 2.3, paragraph 1, this Schedule contains staging categories **R** and **S**:
 - (a) for goods provided for in the items in staging category R, at the time of importation the duty imposed upon the assembled article to be applied in accordance with the procedures specified in U.S. note 4 of subchapter II, chapter 98, of the HTSUS, shall be the rate applicable to the full value of the article itself under the staging obligations set forth for the appropriate provision in Chapters 1 through 97 of this Schedule, until January 1 of year ten, at which time such goods shall be duty-free; and
 - (b) duties on originating goods provided for in the items in staging category S shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force. For goods in tariff items 98120020, 98120040, 98130005, 98130010, 98130015, 98130020, 98130025, 98130030, 98130035, 98130040, 98130045, 98130050, 98130055, 98130060, 98130070, 98130075, and 98140050 duty-free means free without bond.
4. During the transition period, only a qualifying good is eligible for the in-quota tariff rate for each good specified in Appendix I; originating goods that are not qualifying goods shall be subject to the over-quota tariff rate for the good specified in Appendix I. For purposes of this note, “qualifying good” means a good that satisfies the requirements of Chapter Four (Rules of Origin and Origin Procedures), except that operations performed in or materials obtained from a Party other than Colombia shall be considered as if the operations were performed in a non-Party and the material was obtained from a non-Party.
5. Originating goods shall not be subject to any duty provided for in heading 9901 of the HTSUS, provided that (a) the goods are imported directly from Colombia into the customs territory of the United States and (b) the sum of the cost or value of the materials produced in the territory of Colombia plus the direct costs of processing operations performed in the territory of Colombia is not less than 35 percent of the appraised value of such goods at the time they are entered.