

APPENDIX II

AMENDMENTS TO ANNEX 301.2 OF THE CANADA-UNITED STATES
FREE-TRADE AGREEMENT

The following text is to be added as new rule 1.1 after rule 1 of Section XV of the Rules in Annex 301.2 as follows:

"1.1. A change from a parts subheading to a subheading other than a parts subheading; provided that the value of materials originating in the territory of either Party or both Parties plus the direct cost of processing performed in the territory of either Party or both Parties constitute not less than 50 per cent of the value of the goods when exported to the territory of the other Party."

Delete the current Rule 10 of Section XV and replace with the following:

"10. A change to headings 7309-7311, 7313-7314, 7316, 7319 or 7321-7326 from any heading other than any of those headings."

Rule 3 of Section XVI to be amended to read as follows:

"3. A change to heading 8407 or 8408 from any other heading; provided, that the value of materials originating in the territory of either Party or both Parties plus the direct cost of processing performed in the territory of either Party or both Parties constitute not less than 50 per cent of the value of the goods when exported to the territory of the other Party."

The following new rule is to be added immediately following Rule 5 of Section XVI of the Rules to Annex 301.2:

"5.1. A change to subheading 8471.99 from subheading 8471.93."