

Appendix B

Canada-U.S. Free Trade Agreement — Agricultural Tariff Phaseout

All tariffs are being eliminated over one of three phaseout periods: immediately; in equal annual reductions over five years; or in equal annual reductions over 10 years. All reductions begin on January 1, 1989.

A general principle is that the phaseout periods for Canadian and U.S. tariffs are harmonized. This means that even if U.S. and Canadian tariffs are at different levels, they are phased out over the same period. As a result of this general principle, Table B1 applies to both Canadian and U.S. tariffs. The only exceptions are:

- where the U.S. tariffs are already free, Table B1 applies only to the Canadian tariffs; and
- where the Canadian tariffs are already free. In this case, the phaseout periods for the appropriate U.S. tariffs are identified separately in Table B2.

Tables B1 and B2 apply only to tariffs on Canada-U.S. trade under the Harmonized System (H.S.), as imports from other countries are not affected by the Agreement.