SECOND ADDITIONAL PROTOCOL TO THE FREE TRADE AGREEMENT

BETWEEN

THE GOVERNMENT OF CANADA

AND

THE GOVERNMENT OF THE REPUBLIC OF CHILE

THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE REPUBLIC OF CHILE ("the Parties");

CONSIDERING that the Parties signed a Free Trade Agreement on December 5, 1996, the fundamental objective of which is to establish a free trade zone, gradually lowering their tariffs in order to facilitate the movement of goods and services between their territories; and

IN VIEW of the Government of Chile's adoption of a safeguard measure with respect to wheat imports, and since Chapter F of the Free Trade Agreement requires that when a safeguard measure is applied, mutually agreed upon trade liberalizing compensation must be granted in the form of concessions having substantially equivalent effect upon commerce;

HAVE AGREED as follows:

ARTICLE 1

To eliminate from Chile's Tariff Reduction Schedule the following goods identified according to the tariff classification established in the same Annex:

0713.10 (dry peas and dry beans); 2004.10 (potatoes); and 2309.10 (pet foods).

Accordingly, importations of originating goods from Canada corresponding to the tariff classifications listed above shall be exempt from duties upon entry into force of this Protocol.