

CANADA**NAFTA ANNEX 302.2****ANNEX 401.2 OF THE CANADA - UNITED STATES FREE TRADE AGREEMENT AS
INCORPORATED INTO THE NORTH AMERICAN FREE TRADE AGREEMENT,
PURSUANT TO ANNEX 302.2****EXPLANATORY NOTE**

The provisions of the attached schedules are expressed in terms of Annex 401.2, as amended, of the Canada-U.S. Free Trade Agreement, as incorporated into the North American Free Trade Agreement, pursuant to Annex 302.2. The tariff item numbers and product descriptions in these schedules are consistent with the corresponding tariff item numbers and product descriptions in Annex 401.2, as amended, of the Canada-U.S. Free Trade Agreement.

Schedule I lists those tariff item numbers where accelerated tariff elimination will apply to all products in the tariff line. Schedule II lists those tariff item numbers where only some of the products are to be subject to accelerated tariff elimination, and lists the products so affected. Goods originating in the territory of the United States provided for in the tariff items listed in Schedule I and products originating in the territory of the United States that are listed in Schedule II shall be free of Canadian customs duty effective July 1, 1997.