

TARIFF ELIMINATION

1. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on goods originating in the territory of the other Party in accordance with the following schedule:

A. duties on goods provided for in each of the items designated as staging category A in each Party's Schedule contained in Annex 401.2 shall be eliminated entirely and such goods shall be free of duty, effective January 1, 1989;

B. duties on goods provided for in each of the items designated as staging category B in each Party's Schedule contained in Annex 401.2 shall be removed in five equal annual stages commencing on January 1, 1989, and such goods shall be free of duty, effective January 1, 1993; and

C. duties on goods provided for in each of the items designated as staging category C in each Party's Schedule contained in Annex 401.2 shall be removed in ten equal annual stages commencing on January 1, 1989, and such goods shall be free of duty, effective January 1, 1998.

2. Except as otherwise provided in this Agreement, goods originating in the territory of the other Party that are provided for in each of the items designated as staging category D in each Party's Schedule contained in Annex 401.2 shall continue to receive existing duty-free treatment indicated therein for such goods.

SCHEDULE OF THE UNITED STATES OF AMERICA

Item	Article description	Base rate	Staging Category
8439	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard (other than the machinery of heading 8419); parts thereof:		
8439.10.00	Machinery for making pulp of fibrous cellulosic material.....	Free	D
8439.20.00	Machinery for making paper or paperboard.....	Free	D
8439.30.00	Machinery for finishing paper or paperboard.....	2%	B
	Parts:		
8439.91	Of machinery for making pulp of fibrous cellulosic materials:		
8439.91.10	Bed plates, roll bars and other stock-treating parts.....	4.7%	B
8439.91.90	Other.....	Free	D
8439.99	Other:		
8439.99.10	Of machinery for making paper or paperboard.....	Free	D
8439.99.50	Of machinery for finishing paper or paperboard.....	3%	B
8441	Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds, and parts thereof:		
8441.10.00	Cutting machines.....	2%	B
8441.20.00	Machines for making bags, sacks or envelopes.....	2%	A
8441.30.00	Machines for making cartons, boxes, cases, tubes, drums or similar containers, other than by molding....	2%	A
8441.40.00	Machines for molding articles in paper pulp, paper or paperboard.....	2%	A
8441.80.00	Other machinery.....	2%	A
8441.90.00	Parts.....	3%	B