

October 7, 1992

the component cannot be determined on the basis of GRI 3(b), then the determination will be based on GRI 3(c) or, if GRI 3(c) is inapplicable, GRI 4. When the component that determines the tariff classification is a blend of two or more yarns or fibers, all yarns and, where applicable, fibers, in that component are to be considered.

15. **Annex 300-B (Textile and Apparel Goods) Section 5 (Bilateral Emergency Actions - Quantitative Restrictions):** in paragraph 5(c), the term "equitable treatment" is intended to have the same meaning as it has in customary practice under the Multifiber Arrangement.

16. **Annex 300-B (Textile and Apparel Goods) Section 7, paragraph 1(c) (Review and Revision of Rules of Origin):** for subheading 6212.10, the rule and paragraph 1 shall not be applied if the Parties agree, prior to entry into force of this Agreement, on measures to ease the administrative burden and reduce costs associated with the application of the rule for headings 62.06 through 62.11 to the apparel in subheading 6212.10.

17. **Annex 300-B (Textile and Apparel Goods) Section 7, paragraph (2)(d)(ii) (Review and Revision of Rules of Origin):** with respect to provisions (a) through (i) of the rule for subheadings 6205.20 through 6205.30, prior to the entry into force of this Agreement the Parties will extend cooperation as necessary in an effort to encourage production in the free trade area of shirting fabrics specifically identified in the rule.

18. **Annex 300-B (Textile and Apparel Goods) Schedule 3.1.3. (Conversion Factors):** the conversion factors in this Schedule are those used for imports into the United States. Canada and Mexico may by mutual agreement develop their own conversion factors for trade between them.

19. **Article 703 (Agriculture - Market Access):** the most-favored-nation rate as of July 1, 1991 is the over-quota tariff rate specified in Annex 302.2.

20. **Article 401 (Rules of Origin - Originating Goods):** the phrase "specifically describes" is intended solely to prevent Article 401(d) from being used to qualify a part of another part, where the heading or subheading covers the final good, the part made from the other part and the other part.

21. **Article 402 (Rules of Origin - Regional Value Content):**

- (a) Article 402(4) applies to intermediate materials, and that VNM in paragraphs 2 and 3 does not include
 - (i) the value of any non-originating materials used by another producer to produce an originating material that is subsequently acquired and used