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Part IV

The President

Proclamation 7870—To Modify Rules of Origin Under the North American Free Trade Agreement

Memorandum of February 9, 2005—Delegation of Certain Reporting Authority

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Presidential Documents

Title 3—

The President

Proclamation 7870 of February 9, 2005

To Modify Rules of Origin Under the North American Free Trade Agreement

By the President of the United States of America

A Proclamation

1. Presidential Proclamation 6641 of December 15, 1993, implemented the North American Free Trade Agreement (the ''NAFTA'') with respect to the United States and, pursuant to the North American Free Trade Agreement Implementation Act (the ''NAFTA Implementation Act''), incorporated in the Harmonized Tariff Schedule of the United States (the ''HTS'') the tariff modifications and rules of origin necessary or appropriate to carry out the NAFTA.

2. Section 202 of the NAFTA Implementation Act provides rules for determining whether goods imported into the United States originate in the territory of a NAFTA party and thus are eligible for the tariff and other treatment contemplated under the NAFTA. Section 202(q) of the NAFTA Implementation Act (19 U.S.C. 3332(q)) authorizes the President to proclaim, as a part of the HTS, the rules of origin set out in the NAFTA and to proclaim modifications to such previously proclaimed rules of origin, subject to the consultation and layover requirements of section 103(a) of the NAFTA Implementation Act (19 U.S.C. 3313(a)).

3. I have determined that the modifications to the HTS set out in the Annex to this proclamation are appropriate. For goods of Mexico, I have decided that the effective date of the modifications shall be determined by the United States Trade Representative (USTR).

4. Section 604 of the Trade Act of 1974, as amended (the ''1974 Act'') (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, of other Acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

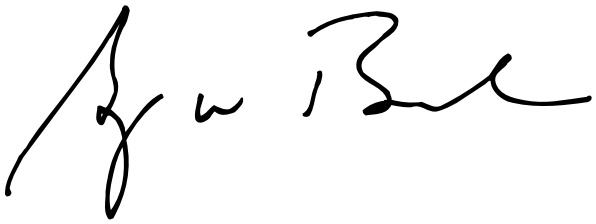
NOW, THEREFORE, I, GEORGE W. BUSH, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including section 604 of the 1974 Act, section 202 of the NAFTA Implementation Act, and section 301 of title 3, United States Code, do hereby proclaim:

(1) In order to modify the rules of origin under the NAFTA, general note 12 to the HTS is modified as provided in the Annex to this proclamation.

(2) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(3) The modifications made by the Annex to this proclamation shall be effective with respect to goods of Canada that are entered, or withdrawn from warehouse for consumption, on or after January 1, 2005. The modifications made by such Annex shall be effective with respect to goods of Mexico that are entered, or withdrawn from warehouse for consumption, on or after a date that the USTR announces in the **Federal Register**.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of February, in the year of our Lord two thousand five, and of the Independence of the United States of America the two hundred and twenty-ninth.



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ANNEX

Effective with respect to goods of Canada under the terms of general note 12 to the tariff schedule that are entered, or withdrawn from warehouse for consumption, on or after January 1, 2005, and to goods of Mexico under the terms of general note 12 to the tariff schedule that are entered, or withdrawn from warehouse for consumption, on or after the date that is announced by the United States Trade Representative in a notice published in the *Federal Register*, the tariff classification rules (TCRs) set forth in general note 12(t) to the Harmonized Tariff Schedule of the United States are hereby modified as follows:

1(a). The following language is inserted immediately after the expression "Chapter 9." to appear on the line immediately below such expression; and the existing TCR is designated as "1." and will appear immediately below the inserted language: "**Note:** The following TCR 1 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCRs are inserted immediately below such existing TCR 1, now applicable only to goods of Mexico:

"**Note:** The following TCRs 1 through 17, inclusive, apply only to goods of Canada under the terms of this note:

1. A change to heading 0901 from any other chapter.

2. A change to subheadings 0902.10 through 0902.40 from any other subheading, including another subheading within that group.

3. A change to heading 0903 from any other chapter.

4. A change to subheading 0904.11 from any other chapter.

5. A change to subheading 0904.12 from any other subheading.

6. A change to subheading 0904.20 from any other chapter.

7. A change to heading 0905 from any other chapter.

8. A change to subheading 0906.10 from any other chapter.

9. A change to subheading 0906.20 from any other subheading.

10. A change to a good of heading 0907 from within that heading or any other chapter.

11. A change to a good of any of subheadings 0908.10 through 0909.50 from within that subheading or any other chapter.

12. A change to a good of subheading 0910.10 from within that subheading or any other chapter.

13. A change to subheading 0910.20 from any other chapter.

14. A change to a good of subheading 0910.30 from within that subheading or any other chapter.

15. A change to subheading 0910.40 from any other chapter.

16. A change to subheadings 0910.50 through 0910.91 from any other subheading, including another subheading within that group.

17. (A) A change to dill seeds, crushed or ground, of subheading 0910.99 from dill seeds, neither crushed nor ground, of subheading 0910.99 or any other chapter; or

(B) A change to any other good of subheading 0910.99 from any other chapter."

2(a). The following language is inserted immediately after the expression "Chapter 12." to appear on the line immediately below such expression; and the existing TCR is designated as "1." and will appear immediately below the inserted language: "**Note:** The following TCR 1 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCRs are inserted immediately below such existing TCR 1, now applicable only to goods of Mexico:

"**Note:** The following TCRs 1 through 5, inclusive, apply only to goods of Canada under the terms of this note:

1. A change to headings 1201 through 1206 from any other chapter.

2. A change to subheadings 1207.10 through 1207.60 from any other chapter.

3. A change to a good of subheading 1207.91 from within that subheading or any other chapter.

4. A change to subheading 1207.99 from any other chapter.

5. A change to headings 1208 through 1214 from any other chapter."

3(a). The following language is inserted immediately after the expression "Chapter 13." to appear on the line immediately below such expression; and the existing TCR is designated as "1." and will appear immediately below the inserted language: "**Note:** The following TCR 1 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCRs are inserted immediately below such existing TCR 1, now applicable only to goods of Mexico:

"**Note:** The following TCRs 1 through 3, inclusive, apply only to goods of Canada under the terms of this note:

1. A change to heading 1301 from any other chapter, except from concentrates of poppy straw of subheading 2939.11.

2. A change to subheadings 1302.11 through 1302.32 from any other chapter, except from concentrates of poppy straw of subheading 2939.11.

3. (A) A change to carrageenan of subheading 1302.39 from within that subheading or any other chapter, provided the nonoriginating materials of subheading 1302.39 do not exceed 50 percent by weight of the good; or

(B) A change to any other good of subheading 1302.39 from any other chapter, except from concentrates of poppy straw of subheading 2939.11."

4(a). The following new note is inserted immediately above TCR 7 to chapter 21: "**Note:** The following TCR 7 applies only to goods of Mexico under the terms of this note:".

(b) The following new note and TCRs are inserted immediately below such existing TCR 7 to chapter 21, now applicable only to goods of Mexico:

"**Note:** The following TCRs 7 through 7A, inclusive, apply only to goods of Canada under the terms of this note:

7. A change to subheading 2103.30 from any other chapter.

7A. (A) A change to mixed condiments or mixed seasonings of subheading 2103.90 from yeasts of subheadings 2102.10 or 2102.20 or any other chapter; or

(B) A change to any other good of subheading 2103.90 from any other chapter."

5(a). The following language is inserted immediately after the expression "Chapter 71." to appear on the line immediately below such expression: "**Note:** The following TCR 1 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCRs are inserted immediately below such existing TCR 1, now applicable only to goods of Mexico:

"**Note:** The following TCRs 1 through 1G, inclusive, apply only to goods of Canada under the terms of this note:

1. A change to headings 7101 through 7105 from any other chapter.

1A. (A) A change to subheadings 7106.10 through 7106.92 from any other subheading, including another subheading within that group; or

(B) No required change in tariff classification to subheading 7106.91, whether or not there is also a change from another subheading, provided that the nonoriginating materials undergo electrolytic, thermal or chemical separation or alloying.

1B. A change to heading 7107 from any other chapter.

1C. (A) A change to subheadings 7108.11 through 7108.20 from any other subheading, including another subheading within that group; or

(B) No required change in tariff classification to subheading 7108.12, whether or not there is also a change from another subheading, provided that the nonoriginating materials undergo electrolytic, thermal or chemical separation or alloying.

1D. A change to heading 7109 from any other chapter.

1E. A change to subheadings 7110.11 through 7110.49 from any other subheading, including another subheading within that group.

1F. A change to heading 7111 from any other chapter.

1G. A change to heading 7112 from any other heading."

6(a). The following language is inserted immediately above TCR 5 to chapter 85: "**Note:** The following TCR 5 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 5, now applicable only to goods of Mexico:

"**Note:** The following TCR 5 applies only to goods of Canada under the terms of this note:

5. A change to tariff item 8504.40.40 from any other subheading."

7. Existing TCR 8A to chapter 85 is redesignated as 8B, and the following new note and TCR are inserted immediately below existing TCR 8 to chapter 85:

"**Note:** The following TCR 8A applies only to goods of Canada under the terms of this note:

8A. A change to tariff item 8504.90.65 from any other tariff item."

8(a). The following language is inserted immediately above TCR 30 to chapter 84: "**Note:** The following TCR 30 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCRs are inserted immediately below such existing TCR 30, now applicable only to goods of Mexico:

"**Note:** The following TCRs 30 through 30B, inclusive, apply only to goods of Canada under the terms of this note:

30. (A) A change to subheading 8414.40 from any other heading; or

(B) A change to subheading 8414.40 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used.

30A. A change to subheading 8414.51 from any other subheading.

30B. (A) A change to subheadings 8414.59 through 8414.80 from any other heading; or

(B) A change to subheadings 8414.59 through 8414.80 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

9(a). The following language is inserted immediately above TCR 17 to chapter 85: "**Note:** The following TCRs 17 through 18 apply only to goods of Mexico under the terms of this note:".

(b). The following new note and TCRs are inserted immediately below such existing TCR 18, now applicable only to goods of Mexico:

"**Note:** The following TCRs 17 through 18, inclusive, apply only to goods of Canada under the terms of this note:

17. (A) A change to subheadings 8509.10 through 8509.30 from any subheading outside that group, except from heading 8501 or tariff items 8509.90.05, 8509.90.25 or 8509.90.45; or

(B) A change to subheadings 8509.10 through 8509.30 from heading 8501 or tariff items 8509.90.05, 8509.90.25 or 8509.90.45, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used.

18 A change to subheadings 8509.40 through 8509.80 from any other subheading, including another subheading within that group."

10(a). The following language is inserted immediately above TCR 32 to chapter 85: "**Note:** The following TCRs 32 through 43 apply only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 43, now applicable only to goods of Mexico:

"**Note:** The following TCR 32 applies only to goods of Canada under the terms of this note:

32. A change to subheadings 8516.10 through 8516.80 from any other subheading, including another subheading within that group."

11(a). The following language is inserted immediately above TCR 65 to chapter 85: "**Note:** The following TCRs 65 through 67 apply only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 67, now applicable only to goods of Mexico:

"**Note:** The following TCR 65 applies only to goods of Canada under the terms of this note:

65. (A) A change to subheadings 8518.10 through 8518.29 from any other heading; or

(B) A change to a good of any of subheadings 8518.10 through 8518.29 from within that subheading or any other subheading within heading 8518, including another subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 30 percent where the transaction value method is used, or

(2) 25 percent where the net cost method is used."

12(a). The following language is inserted immediately above TCR 71 to chapter 85: "**Note:** The following TCR 71 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 71, now applicable only to goods of Mexico:

"**Note:** The following TCR 71 applies only to goods of Canada under the terms of this note:

71. (A) A change to subheading 8518.90 from any other heading; or

(B) A change to subheading 8518.90 from any other subheading within heading 8518, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 30 percent where the transaction value method is used, or

(2) 25 percent where the net cost method is used."

13(a). The following language is inserted immediately above TCR 78 to chapter 90: "**Note:** The following TCR 78 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 78, now applicable only to goods of Mexico:

"**Note:** The following TCRs 78 and 78A apply only to goods of Canada under the terms of this note:

78. (A) A change to subheading 9032.10 from any other heading; or

(B) A change to a good of subheading 9032.10 from within that subheading or subheadings 9032.89 through 9032.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used.

78A. (A) A change to subheadings 9032.20 through 9032.89 from any other heading; or

(B) A change to subheadings 9032.20 through 9032.89 from subheading 9032.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

14(a). The following language is inserted immediately above TCR 214 to chapter 84: "**Note:** The following TCR 214 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 214, now applicable only to goods of Mexico:

"**Note:** The following TCR 214 applies only to goods of Canada under the terms of this note:

214. (A) A change to subheading 8473.30 from any other heading; or

(B) No required change in tariff classification to subheading 8473.30, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

15(a). The following language is inserted immediately above TCR 8A to chapter 85: "**Note:** The following TCR 8A applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 8A, now applicable only to goods of Mexico:

"**Note:** The following TCR 8A applies only to goods of Canada under the terms of this note:

8A. (A) A change to subheading 8504.90 from any other heading; or

(B) No required change in tariff classification to subheading 8504.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

16(a). The following language is inserted immediately above TCR 10 to chapter 85: "**Note:** The following TCR 10 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 10, now applicable only to goods of Mexico:

"**Note:** The following TCR 10 applies only to goods of Canada under the terms of this note:

10. (A) A change to subheading 8505.90 from any other heading; or

(B) No required change in tariff classification to subheading 8505.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

17(a). The following language is inserted immediately above TCR 12 to chapter 85: "**Note:** The following TCR 12 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 12, now applicable only to goods of Mexico:

"**Note:** The following TCR 12 applies only to goods of Canada under the terms of this note:

12. (A) A change to subheading 8506.90 from any other heading, except from tariff items 8548.10.05 or 8548.10.15; or

(B) No required change in tariff classification to subheading 8506.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

18(a). The following language is inserted immediately above TCR 14 to chapter 85: "**Note:** The following TCR 14 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 14, now applicable only to goods of Mexico:

"**Note:** The following TCR 14 applies only to goods of Canada under the terms of this note:

14. (A) A change to subheading 8507.90 from any other heading, except from tariff items 8548.10.05 or 8548.10.15; or

(B) No required change in tariff classification to subheading 8507.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

19(a). The following language is inserted immediately above TCR 19 to chapter 85: "**Note:** The following TCR 19 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 19, now applicable only to goods of Mexico:

"**Note:** The following TCR 19 applies only to goods of Canada under the terms of this note:

19. (A) A change to subheading 8509.90 from any other heading; or

(B) No required change in tariff classification to subheading 8509.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

20(a). The following language is inserted immediately above TCR 23 to chapter 85: "**Note:** The following TCR 23 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 23, now applicable only to goods of Mexico:

"**Note:** The following TCR 23 applies only to goods of Canada under the terms of this note:

23. (A) A change to subheading 8511.90 from any other heading; or

(B) No required change in tariff classification to subheading 8511.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

21(a). The following language is inserted immediately above TCR 29 to chapter 85: "**Note:** The following TCR 29 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 29, now applicable only to goods of Mexico:

"**Note:** The following TCR 29 applies only to goods of Canada under the terms of this note:

29. (A) A change to subheading 8514.90 from any other heading; or

(B) No required change in tariff classification to subheading 8514.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

22(a). The following language is inserted immediately above TCR 49 to chapter 85: "**Note:** The following TCR 49 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 49, now applicable only to goods of Mexico:

"**Note:** The following TCR 49 applies only to goods of Canada under the terms of this note:

49. (A) A change to subheading 8516.90 from any other heading; or

(B) No required change in tariff classification to subheading 8516.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

23(a). The following language is inserted immediately above TCR 64 to chapter 85: "**Note:** The following TCR 64 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 64, now applicable only to goods of Mexico:

"**Note:** The following TCR 64 applies only to goods of Canada under the terms of this note:

64. (A) A change to subheading 8517.90 from any other heading; or

(B) No required change in tariff classification to subheading 8517.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

24(a). The following language is inserted immediately above TCR 93 to chapter 85: "**Note:** The following TCR 93 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 93, now applicable only to goods of Mexico:

"**Note:** The following TCR 93 applies only to goods of Canada under the terms of this note:

93. (A) A change to subheading 8529.10 from any other heading; or

(B) No required change in tariff classification to subheading 8529.10, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

25(a). The following language is inserted immediately above TCR 101 to chapter 85: "**Note:** The following TCR 101 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 101, now applicable only to goods of Mexico:

"**Note:** The following TCR 101 applies only to goods of Canada under the terms of this note:

101. (A) A change to subheading 8529.90 from any other heading; or

(B) No required change in tariff classification to subheading 8529.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

26(a). The following language is inserted immediately above TCR 103 to chapter 85: "**Note:** The following TCR 103 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 103, now applicable only to goods of Mexico:

"**Note:** The following TCR 103 applies only to goods of Canada under the terms of this note:

103. (A) A change to subheading 8530.90 from any other heading; or

(B) No required change in tariff classification to subheading 8530.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used. "

27(a). The following language is inserted immediately above TCR 108 to chapter 85: "**Note:** The following TCR 108 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 108, now applicable only to goods of Mexico:

"**Note:** The following TCR 108 applies only to goods of Canada under the terms of this note:

108. (A) A change to subheading 8531.90 from any other heading; or

(B) No required change in tariff classification to subheading 8531.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

28(a). The following language is inserted immediately above TCR 111 to chapter 85: "**Note:** The following TCR 111 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 111, now applicable only to goods of Mexico:

"**Note:** The following TCR 111 applies only to goods of Canada under the terms of this note:

111. (A) A change to subheading 8532.90 from any other heading; or

(B) No required change in tariff classification to subheading 8532.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

29(a). The following language is inserted immediately above TCR 114 to chapter 85: "**Note:** The following TCR 114 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 114, now applicable only to goods of Mexico:

"**Note:** The following TCR 114 applies only to goods of Canada under the terms of this note:

114. (A) A change to subheading 8533.90 from any other heading; or

(B) No required change in tariff classification to subheading 8533.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

30(a). The following language is inserted immediately above TCR 122 to chapter 85: "**Note:** The following TCR 122 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 122, now applicable only to goods of Mexico:

"**Note:** The following TCR 122 applies only to goods of Canada under the terms of this note:

122. (A) A change to subheadings 8538.10 through 8538.90 from any other heading; or

(B) A change to subheadings 8538.10 through 8538.90 from any other subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

31(a). The following language is inserted immediately above TCR 139 to chapter 85: "**Note:** The following TCR 139 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 139, now applicable only to goods of Mexico:

"**Note:** The following TCR 139 applies only to goods of Canada under the terms of this note:

139. (A) A change to subheading 8540.91 from any other heading; or

(B) No required change in tariff classification to subheading 8540.91, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

32(a). The following language is inserted immediately above TCR 141 to chapter 85: "**Note:** The following TCR 141 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 141, now applicable only to goods of Mexico:

"**Note:** The following TCR 141 applies only to goods of Canada under the terms of this note:

141. (A) A change to subheading 8540.99 from any other heading; or

(B) No required change in tariff classification to subheading 8540.99, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

33(a). The following language is inserted immediately above TCR 146 to chapter 85: "**Note:** The following TCR 146 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 146, now applicable only to goods of Mexico:

"**Note:** The following TCR 146 applies only to goods of Canada under the terms of this note:

146. (A) A change to subheading 8543.90 from any other heading; or

(B) No required change in tariff classification to subheading 8543.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

34(a). The following language is inserted immediately above TCR 9 to chapter 90: "**Note:** The following TCR 9 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 9, now applicable only to goods of Mexico:

"**Note:** The following TCR 9 applies only to goods of Canada under the terms of this note:

9. (A) A change to subheading 9005.90 from any other heading; or

(B) No required change in tariff classification to subheading 9005.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

35(a). The following language is inserted immediately above TCR 11 to chapter 90: "**Note:** The following TCR 11 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 11, now applicable only to goods of Mexico:

"**Note:** The following TCR 11 applies only to goods of Canada under the terms of this note:

11. (A) A change to subheadings 9006.91 through 9006.99 from any other heading; or

(B) A change to a good of any of subheadings 9006.91 through 9006.99 from within that subheading, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

36(a). The following language is inserted immediately above TCR 16 to chapter 90: "**Note:** The following TCR 16 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 16, now applicable only to goods of Mexico:

"**Note:** The following TCR 16 applies only to goods of Canada under the terms of this note:

16. (A) A change to subheading 9007.91 from any other heading; or

(B) No required change in tariff classification to subheading 9007.91, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

37(a). The following language is inserted immediately above TCR 19 to chapter 90: "**Note:** The following TCR 19 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 19, now applicable only to goods of Mexico:

"**Note:** The following TCR 19 applies only to goods of Canada under the terms of this note:

19. (A) A change to subheading 9008.90 from any other heading; or

(B) No required change in tariff classification to subheading 9008.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

38(a). The following language is inserted immediately above TCR 26 to chapter 90: "**Note:** The following TCR 26 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 26, now applicable only to goods of Mexico:

"**Note:** The following TCR 26 applies only to goods of Canada under the terms of this note:

26. (A) A change to subheading 9010.90 from any other heading; or

(B) No required change in tariff classification to subheading 9010.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

39(a). The following language is inserted immediately above TCR 32 to chapter 90: "**Note:** The following TCR 32 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 32, now applicable only to goods of Mexico:

"**Note:** The following TCR 32 applies only to goods of Canada under the terms of this note:

32. (A) A change to subheading 9013.90 from any other heading; or

(B) No required change in tariff classification to subheading 9013.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

40(a). The following language is inserted immediately above TCR 34 to chapter 90: "**Note:** The following TCR 34 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 34, now applicable only to goods of Mexico:

"**Note:** The following TCR 34 applies only to goods of Canada under the terms of this note:

34. (A) A change to subheading 9014.90 from any other heading; or

(B) No required change in tariff classification to subheading 9014.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

41(a). The following language is inserted immediately above TCR 56 to chapter 90: "**Note:** The following TCR 56 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 56, now applicable only to goods of Mexico:

"**Note:** The following TCR 56 applies only to goods of Canada under the terms of this note:

56. (A) A change to subheading 9024.90 from any other heading; or

(B) No required change in tariff classification to subheading 9024.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

42(a). The following language is inserted immediately above TCR 60 to chapter 90: "**Note:** The following TCR 60 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 60, now applicable only to goods of Mexico:

"**Note:** The following TCR 60 applies only to goods of Canada under the terms of this note:

60. (A) A change to subheading 9026.90 from any other heading; or

(B) No required change in tariff classification to subheading 9026.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

43(a). The following language is inserted immediately above TCR 64 to chapter 90: "**Note:** The following TCR 64 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 64, now applicable only to goods of Mexico:

"**Note:** The following TCR 64 applies only to goods of Canada under the terms of this note:

64. (A) A change to subheading 9027.90 from any other heading; or

(B) No required change in tariff classification to subheading 9027.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

44(a). The following language is inserted immediately above TCR 68 to chapter 90: "**Note:** The following TCR 68 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 68, now applicable only to goods of Mexico:

"**Note:** The following TCR 68 applies only to goods of Canada under the terms of this note:

68. (A) A change to subheading 9029.90 from any other heading; or

(B) No required change in tariff classification to subheading 9029.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

45(a). The following language is inserted immediately above TCR 72 to chapter 90: "**Note:** The following TCR 72 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 72, now applicable only to goods of Mexico:

"**Note:** The following TCR 72 applies only to goods of Canada under the terms of this note:

72. (A) A change to subheading 9030.90 from any other heading; or

(B) No required change in tariff classification to subheading 9030.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

46(a). The following language is inserted immediately above TCR 79 to chapter 90: "**Note:** The following TCR 79 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 79, now applicable only to goods of Mexico:

"**Note:** The following TCR 79 applies only to goods of Canada under the terms of this note:

79. (A) A change to subheading 9032.90 from any other heading; or

(B) No required change in tariff classification to subheading 9032.90, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used. "

47(a). The following language is inserted immediately above TCR 80 to chapter 90: "**Note:** The following TCR 80 applies only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 80, now applicable only to goods of Mexico:

"**Note:** The following TCR 80 applies only to goods of Canada under the terms of this note:

80. (A) A change to heading 9033 from any other heading; or

(B) No required change in tariff classification to heading 9033, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

48(a). The following language is inserted immediately above TCR 1 to chapter 95: "**Note:** The following TCRs 1 through 4, inclusive, apply only to goods of Mexico under the terms of this note:".

(b). The following new note and TCR are inserted immediately below such existing TCR 4, now applicable only to goods of Mexico:

"**Note:** The following TCR 1 applies only to goods of Canada under the terms of this note:

1. (A) A change to subheadings 9501.00 through 9505.90 from any other chapter; or

(B) A change to a good of any of subheadings 9501.00 through 9505.90 from within that subheading or any other subheading within chapter 95, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

(1) 60 percent where the transaction value method is used, or

(2) 50 percent where the net cost method is used."

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