

Diosmary Reynoso
C/O Ignacio J. Alvarez M., Esq.
Alvarez Martinez Law Firm LLC
1701 Pennsylvania Avenue, N.W.
Suite 300
Washington, DC, 20006

December 9, 2010

FOIA Officer
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, DC, 20508

Dear Sir or Lady:

I am addressing you, under the Freedom of Information Act (FOIA), in order to kindly request certain information related to the Dominican Republic, Central America-United States Free Trade Agreement.

Article 3.20.1 of the Agreement provides that: "On request of an importer, a Party shall refund any excess customs duties paid in connection with the importation into its territory of an originating textile or apparel good between January 1, 2004 and the date of entry into force of this Agreement for that Party. (...)"

On its part, article 3.20.2 provides that "Paragraph 1 shall not apply with respect to textile or apparel goods imported into, or imported from, the territory of a Party if it provides written notice to the other Parties by no later than 90 days before the date of entry into force of this Agreement for that Party that it will not comply with paragraph 1".

In this regard, I would like to obtain information on which parties (if any) to the Agreement provided the United States written notice that they were not going to comply with paragraph 3.20.1 of the Agreement. I am also requesting copy of such written notices.

The parties that could have provided such written notice are the Dominican Republic and/or any other country from Central America party to the Agreement (including Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua).

I understand I may be charged for the cost of searching for, reviewing and duplicating the records requested. In this regards, please note that the information requested may be for commercial use. I am also aware that I may be requested to make an advance deposit to pay for the related fees.

Thank you in advance for your assistance in this matter.

Respectfully,


Diosmary Reynoso

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

January 26, 2011

Mr. Diosmary Reynoso
c/o Ignacio J. Alvarez M., Esq.
Alvarez Martinez Law Firm LLC
1701 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Reynoso:

This letter is USTR's response to your Freedom of Information Act request for **certain information related to the Dominican Republic, Central America-United States Free Trade Agreement; information on which parties (if any) to the Agreement provided the United States written notice that they were not going to comply with paragraph 3.20.1 of the Agreement.**"

After a search of our files we have located three (3) documents within the scope of your request. Of those, we are releasing three (3) documents in full.

Inasmuch as this constitutes a complete response to your request, I am closing your file in this office. In the event that you are dissatisfied with USTR's determination, you may appeal such a denial, within thirty (30) days, in writing to:

FOIA Appeals Committee
Office of the United States Trade Representative
1724 F Street, N.W.
Washington, DC 20508

Both the letter and the envelope should be clearly marked: "Freedom of Information Act Appeal". In the event you are dissatisfied with the results of any such appeal, judicial review will thereafter be available to you in the United States District Court for the judicial district in which you reside or have your principal place of business, or in the District of Columbia, where we searched for the records you seek.

Mr. Diosmary Reynoso
Page 2

Should you have any questions, please feel free to contact the FOIA office at (202) 395-3419.

Sincerely yours,

A handwritten signature in black ink that reads "Carmen Suro-Bredie". The signature is written in a cursive style with a horizontal line under the name.

Carmen Suro-Bredie
Chief FOIA Officer

Case File#10122359



MINISTERIO DE ECONOMIA
REPUBLICA DE EL SALVADOR C. A.

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January 27, 2006

Mr. Scott D. Quesenberry
Special Textile Negotiator
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Mr. Quesenberry:

I have the honor to confirm the following understandings reached between our Governments regarding Article 3.20 (Refund of Customs Duties) and Article 3.25 (Rules of Origin and Related Matters) of the Dominican Republic – Central America – United States Free Trade Agreement signed on August 5, 2004 (the "Agreement"):

- (1) After the Agreement enters into force, the United States will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that, if an apparel good contains a pocket or pockets, the pocket bag fabric must be formed and finished in the territory of one or more of the Parties to the Agreement from yarn wholly formed in the territory of one or more of the Parties to the Agreement in order for that apparel good to qualify as an originating good under the Agreement ("pocket fabric rule of origin modification").
- (2) El Salvador is prepared to engage in Article 3.25 consultations immediately after the Agreement enters into force, and will agree to the pocket fabric rule of origin modification in those consultations without condition or delay.
- (3) The application by El Salvador of the pocket fabric rule of origin modification will provide a benefit to the United States that satisfies the requirements of Article 3.20.3 of the Agreement.
- (4) In light of El Salvador's unconditional commitment to agree to the pocket fabric rule of origin modification, the United States will provide duty refunds as provided for under Article 3.20.1 of the Agreement with respect to imports of textile or apparel goods of El Salvador that were imported into the United States between January 1, 2004 and the date of entry into force of the Agreement for El Salvador and that satisfy the other requirements of that article.
- (5) After the Agreement enters into force, El Salvador will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This

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modification will provide that infant dresses classified in tariff item 6209.20.1000, women's and girls' cotton coats in textile category 335, and women's and girls' man-made fiber suits in textile category 644 shall be considered originating goods under the Agreement regardless of the origin of the fibers, yarns, or fabrics used in the production of the component of the good that determines the tariff classification of the good, provided that the good satisfies all other applicable requirements of Chapter Four (Rules of Origin and Origin Procedures) of the Agreement.

- (6) The United States is prepared to engage in Article 3.25 consultations regarding the proposed rule of origin modification described in paragraph (5) immediately after the Agreement enters into force, and will agree to the proposed modification in those consultations without condition or delay.
- (7) Subject to the acceptance of the proposed modifications described in paragraphs (1) and (5) by the other Parties to the Agreement, and after the proposed modifications are approved in accordance with the applicable legal procedures of each of the Parties, El Salvador and the United States shall implement the proposed modifications on a date the Parties shall determine.

Pursuant to Articles 3.20.2 and 3.20.3 of the Agreement, this letter provides notice that El Salvador will not comply with Article 3.20.1 of the Agreement and that El Salvador will instead provide a benefit, in the form of the pocket fabric rule of origin modification, that our two Governments consider to satisfy the requirements of Article 3.20.3 of the Agreement.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.

Sincerely,



Eduardo Ayala
Vice Minister of Economy

cc:

Ms. Doris Osterlof, Vice Minister of Foreign Trade of Costa Rica
Mr. Marcello Puello, Vice Minister of Trade of the Dominican Republic
Mr. Enrique Lacs, Vice Minister of Economy of Guatemala
Mr. Jorge Rosa, Vice Minister, Industry and Trade of Honduras
Mr. Julio Teran, Vice Minister of Trade of Nicaragua

2

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

January 27, 2006

Mr. Eduardo Ayala
Vice Minister of Economy
Republic of El Salvador
San Salvador, El Salvador

Dear Vice Minister Ayala:

I am pleased to acknowledge your letter of today's date, which reads as follows:

"I have the honor to confirm the following understandings reached between our Governments regarding Article 3.20 (Refund of Customs Duties) and Article 3.25 (Rules of Origin and Related Matters) of the Dominican Republic – Central America – United States Free Trade Agreement signed on August 5, 2004 (the "Agreement"):

- (1) After the Agreement enters into force, the United States will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that, if an apparel good contains a pocket or pockets, the pocket bag fabric must be formed and finished in the territory of one or more of the Parties to the Agreement from yarn wholly formed in the territory of one or more of the Parties to the Agreement in order for that apparel good to qualify as an originating good under the Agreement ("pocket fabric rule of origin modification").
- (2) El Salvador is prepared to engage in Article 3.25 consultations immediately after the Agreement enters into force, and will agree to the pocket fabric rule of origin modification in those consultations without condition or delay.
- (3) The application by El Salvador of the pocket fabric rule of origin modification will provide a benefit to the United States that satisfies the requirements of Article 3.20.3 of the Agreement.
- (4) In light of El Salvador's unconditional commitment to agree to the pocket fabric rule of origin modification, the United States will provide duty refunds as provided for under Article 3.20.1 of the Agreement with respect to imports of textile or apparel goods of El Salvador that were imported into the United States between January 1, 2004 and the date of entry into force of the Agreement for El Salvador and that satisfy the other requirements of that article.
- (5) After the Agreement enters into force, El Salvador will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that infant dresses classified in tariff item 6209.20.1000, women's and girls' cotton coats in textile category 335, and women's and girls' man-made fiber suits in textile category 644 shall be considered originating goods under the

Agreement regardless of the origin of the fibers, yarns, or fabrics used in the production of the component of the good that determines the tariff classification of the good, provided that the good satisfies all other applicable requirements of Chapter Four (Rules of Origin and Origin Procedures) of the Agreement.

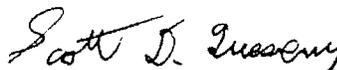
- (6) The United States is prepared to engage in Article 3.25 consultations regarding the proposed rule of origin modification described in paragraph (5) immediately after the Agreement enters into force, and will agree to the proposed modification in those consultations without condition or delay.
- (7) Subject to the acceptance of the proposed modifications described in paragraphs (1) and (5) by the other Parties to the Agreement, and after the proposed modifications are approved in accordance with the applicable legal procedures of each of the Parties, El Salvador and the United States shall implement the proposed modifications on a date the Parties shall determine.

Pursuant to Articles 3.20.2 and 3.20.3 of the Agreement, this letter provides notice that El Salvador will not comply with Article 3.20.1 of the Agreement and that El Salvador will instead provide a benefit, in the form of the pocket fabric rule of origin modification, that our two Governments consider to satisfy the requirements of Article 3.20.3 of the Agreement.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.”

I have the honor to confirm that the understandings referred to in your letter are shared by my Government, and that your letter and this reply shall constitute an agreement between our two Governments.

Sincerely,



Scott D. Quesenberry
Special Textile Negotiator

cc:

Ms. Doris Osterlof, Vice Minister of Foreign Trade of Costa Rica
Mr. Marcello Puello, Vice Minister of Trade of the Dominican Republic
Mr. Enrique Lacs, Vice Minister of Economy of Guatemala
Mr. Jorge Rosa, Vice Minister, Industry and Trade of Honduras
Mr. Julio Teran, Vice Minister of Trade of Nicaragua

3

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

27 March 2006

Mr. Julio Teran
Vice Minister of Trade
Republic of Nicaragua
Managua, Nicaragua

Dear Vice Minister Teran:

I am pleased to acknowledge your letter of today's date, which reads as follows:

"I have the honor to confirm the following understandings reached between our Governments regarding Article 3.20 (Refund of Customs Duties) and Article 3.25 (Rules of Origin and Related Matters) of the Dominican Republic – Central America – United States Free Trade Agreement signed on August 5, 2004 (the "Agreement"):

- (1) After the Agreement enters into force, the United States will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that if a good of the U.S. Harmonized Tariff Schedule (HTS) Chapters 61 and 62 contains a pocket or pockets, the pocket bag fabric must be formed and finished in the territory of one or more of the Parties from yarn wholly formed in one or more of the Parties] in order for an apparel good to qualify as an originating good under the Agreement ("pocket fabric rule of origin modification").
- (2) Nicaragua is prepared to engage in Article 3.25 consultations immediately after the Agreement enters into force, and will agree to the pocket fabric rule of origin modification in those consultations without condition or delay.
- (3) The application by Nicaragua of the pocket fabric rule of origin modification will provide a benefit to the United States that satisfies the requirements of Article 3.20.3 of the Agreement.
- (4) In light of Nicaragua's unconditional commitment to agree to the pocket fabric rule of origin modification, the United States will provide duty refunds as provided for under Article 3.20.1 of the Agreement with respect to imports of textile or apparel goods of Nicaragua that were imported into the United States between January 1, 2004 and the date of entry into force of the Agreement for Nicaragua and that satisfy the other requirements of that article.

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- (5) After the Agreement enters into force, Nicaragua will propose a modification, pursuant to Article 22.2 of the Agreement, to the tariff preference level (TPL) set out in Annex 3.28 of the Agreement. This modification will provide that men's wool sport coats in textile category 433 shall qualify for preferential tariff treatment under the TPL, provided that the component that determines the tariff classification of the good is of carded wool classified in tariff item 5111.11.7030, 5111.11.7060, 5111.19.6020, 5111.19.6040, 5111.19.6060, 5111.19.6080, or 5111.90.9000, and provided that the good satisfies all other applicable requirements of Annex 3.28 of the Agreement. The total quantity of such men's wool sport coats that may qualify for preferential tariff treatment under the TPL shall be subject to an annual sublimit of 1.5 million square meter equivalents (SME) within the overall TPL limit.
- (6) After the Agreement enters into force, Nicaragua will propose a further modification, pursuant to Article 22.2 of the Agreement, to the tariff preference level (TPL) set out in Annex 3.28 of the Agreement. This modification will provide that the overall limit in the sixth through the ninth years of the Agreement set forth in subparagraphs 4(b) to 4(e) of Annex 3.28 shall be increased to 100 million SME in each of those years. Nicaragua shall further propose to amend Annex 3.28 of the Agreement to provide that, upon the written request of Nicaragua, the United States shall require an importer claiming preferential treatment under the TPL to submit to the United States a certificate of eligibility, properly completed and signed by an authorized official of Nicaragua and presented at the time of importation into the United States.
- (7) Further, Nicaragua reiterates its commitment of July 18, 2005 regarding its administration of the TPL with respect to cotton and man-made woven trousers in textile categories 347/348 and 647/648.
- (a) This commitment shall apply to cotton woven trousers in textile categories 347/348 and to man-made fiber woven trousers in textile categories 647/648 that are classified in Chapter 62 of the Harmonized System and exported to the United States from Nicaragua and entered under the TPL.
- (b) Specifically, for each square meter equivalent (SME) of exports entered under the TPL and identified in subparagraph (a), Nicaragua will export to the United States an equal amount of cotton and man-made fiber woven trousers made of U.S.-formed fabric of U.S.-formed yarn (one-for-one purchasing). For purposes of complying with the one-for-one purchasing rule, exports of U.S.-formed fabric of U.S.-formed yarn need not be of the same tariff items as exports entered under the TPL, so long as both are contained within the tariff classification identified in subparagraph

(a). This one-for-one purchasing rule shall apply to all imports of cotton and man-made fiber woven trousers entered under the TPL, except that the one-for-one purchasing rule shall only apply to cotton woven trousers as follows:

- (i) in the first year after the date of entry into force of the Agreement, to the first 20 million SME of cotton woven trousers imported into the United States under the TPL;
- (ii) in the second year of the Agreement, to the first 30 million SME of such imports;
- (iii) in the third year of the Agreement, to the first 40 million SME of such imports; and
- (iv) in the fourth and subsequent years of the Agreement, to the first 50 million SME of such imports.

Any exports of cotton woven trousers made under the TPL in excess of the specified quantities in clauses (i) to (iv) shall not be subject to the one-for-one purchasing rule.

- (c) Beginning on January 1, 2007, and annually thereafter, Nicaragua shall provide the United States with shipment-specific data regarding all exports to the United States of both woven trousers under the TPL and woven trousers made from U.S.-formed fabric of U.S.-formed yarn required under the one-for-one purchasing rule, including the specific sources of the U.S.-formed fabrics used, via a certificate of eligibility, during the prior year. The United States will verify these data with the U.S. fabric producers and will determine whether the amount of the cotton and man-made fiber woven trouser exports made under the TPL exceeded the amount of exports of cotton and man-made fiber woven trousers made from U.S.-formed fabric of U.S.-formed yarn required under the one-for-one purchasing rule. Any such excess in a given year that is not rectified by April 1 of the following year shall be charged to Nicaragua's TPL for that year.
- (d) The United States may require an importer to declare that a particular entry of originating cotton or man-made fiber woven trousers is made with U.S.-formed fabric of U.S.-formed yarn in order for that entry to be counted as fulfilling the one-for-one purchasing rule in subparagraph (b).

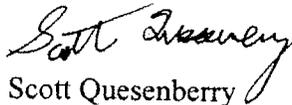
- (8) The United States is prepared to engage in consultations regarding the proposed modifications described in paragraphs (5) and (6) immediately after the Agreement enters into force, and will agree to the proposed modifications in those consultations without condition or delay.
- (9) Subject to the acceptance of the proposed modifications described in paragraphs (1), (5), and (6) by the other Parties to the Agreement, and after the proposed modifications are approved in accordance with the applicable legal procedures of each of the Parties, Nicaragua and the United States shall implement the proposed modifications on a date the Parties shall determine.
- (10) Nicaragua and the United States acknowledge that, if another Party proposes a modification of the rules of origin pursuant to Article 3.25 of the Agreement, such modification shall, if accepted by the other Parties, approved in accordance with the applicable legal procedures of each of the Parties, and implemented in accordance with Article 3.25.3, supersede the prior rule of origin as applied to goods of all of the Parties.

Pursuant to Articles 3.20.2 and 3.20.3 of the Agreement, this letter provides notice that Nicaragua will not comply with Article 3.20.1 of the Agreement and that Nicaragua will instead provide a benefit, in the form of the pocket fabric rule of origin modification that our two Governments consider to satisfy the requirements of Article 3.20.3 of the Agreement.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.”

I have the honor to confirm that the understandings referred to in your letter are shared by my Government, and that your letter and this reply shall constitute an agreement between our two Governments.

Sincerely,


Scott Quesenberry
Special Textile Negotiator

cc:

Ms. Doris Osterlof, Vice Minister of Foreign Trade of Costa Rica
Mr. Marcello Puello, Vice Minister of Trade of the Dominican Republic
Mr. Eduardo Ayala, Vice Minister of Economy of El Salvador
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