Note

- 1. This chapter does not cover:
 - (a) Sugar confectionery containing cocoa (heading 1806);
 - (b) Chemically pure sugars (other than sucrose, lactose, maltose, glucose and fructose) or other products of heading 2940; or
 - (c) Medicaments or other products of chapter 30.

Subheading Note

 For the purposes of subheadings 1701.11 and 1701.12, "<u>raw sugar</u>" means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5 degrees.

Additional U.S. Notes

- The term "degree" as used in the "Rates of Duty" columns of this chapter means International Sugar Degree as determined by polarimetric test performed in accordance with procedures recognized by the International Commission for Uniform Methods of Sugar Analysis (ICUMSA).
- 2. The rates in column numbered 1 in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, 1702.90.30, 1702.90.40, 1806.10.40 and 2106.90.10, on January 1, 1968, shall be effective only during such time as title II of the Sugar Act of 1948 or substantially equivalent legislation is in effect in the United States, whether or not the quotas, or any of them, authorized by such legislation, are being applied or are suspended: Provided,
 - (a) That, if the President finds that a particular rate not lower than such January 1, 1968 rate, limited by a particular quota, may be established for any articles provided for in the above-mentioned subheadings, which will give due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, he shall proclaim such particular rate and such quota limitation, to be effective not later than the 90th day following the termination of the effectiveness of such legislation;
 - (b) That any rate and quota limitation so established shall be modified if the President finds and proclaims that such modification is required or appropriate to give effect to the above considerations; and
 - (c) That the January 1, 1968 rates shall resume full effectiveness, subject to the provisions of this note, if legislation substantially equivalent to title II of the Sugar Act of 1948 should subsequently become effective.
- 3. (a)(i) The total amount of sugars, syrups and molasses described in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, 1702.90.30, 1702.90.40, 1806.10.40 and 2106.90.10, the products of all foreign countries, entered, or withdrawn from warehouse for consumption, during the period January 1, 1989 through December 31, 1989, shall not exceed in the aggregate 1,061,279 metric tons, raw value. Of this amount, the total amount permitted to be imported for purposes of paragraph (c)(i) of this note (the total base quota amount) shall be 1,053,000 metric tons, raw value; 1,815 metric tons, raw value, may only be used for the importation of "specialty sugars" as defined by the United States Trade Representative in accordance with paragraph (c)(ii) of this note; and the remaining 6,464 metric tons, raw value, may only be imported for the purposes specified in paragraph (c)(v) of this note (the quota adjustment amount).
 - (ii) Sugar entering the United States during a quota period may be charged to the previous quota period with the approval of the Secretary of Agriculture. The Secretary may only grant such approval if (A) the sugar was shipped in time to enter the United States during the provious quota period and (B) the sugar would have successfully entered the United States during the previous quota period but for forces beyond the control of the importer, including but not limited to engine failure of the transporting ocean carrier, unexpectedly severe weather conditions, and acts of God.
 - (b) Beginning with the third calendar quarter of 1982, the Secretary of Agriculture (hereinafter the Secretary) shall establish for each calendar quarter the total amount (expressed in terms of raw value) of sugars, syrups and molasses described in the above-mentioned subheadings, the products of all foreign countries, which may be entered, or withdrawn from warehouse for consumption, during such calendar quarter. The Secretary shall determine such amount, inform the Secretary of the Treasury of his determination, and file notice thereof with the Federal Register no later than the 15th day of the month immediately preceding the calendar quarter during which such determination shall be in effect. In determining such amounts the Secretary shall give due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade.

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(c) (i) The total amounts of sugars, syrups and molasses permitted to be imported under paragraphs (a) and (b) of this note shall be allocated as follows (in percent) to the supplying countries or areas listed below:

	Country	Percentage distribution		Country	Percentage distribution
1.	Canada	1.1	18.	Philippines	15.8
2.	Guatemala	4.8	19.	Taiwan	1.2
3.	Belize	1.1	20.	Australia	8.3
4.	El Salvador	2.6	21.	Mauritius	1.1
5.	Honduras	1.0	22.	Mozambique	1.3
6.	Nicaraqua	2.1	23.	Swaziland	1.6
7.	Costa Rica	1.5	24.	Barbados	0.7
8.	Panama	2.9	25.	Trinidad-Tobago	0.7
9.	Jamaica	1.1	26.	Bolivia	0.8
10.	Dominican Republic	17.6	27.	India	0.8
11.	Colombia	2.4	28.	Fiji	0.7
12.	Guyana	1.2	29.	Malawi	0.7
13.	Ecuador	1.1	30.	Zimbabwe	1.2
14.	Peru	4.1	31.	Other specified	
15.	Brazil	14.5		countries and areas	0.3
16.	Argentina	4.3			
17.	Thailand	1.4			

NOTE 1: The category "Other specified countries and areas" shall consist of the following: Mexico, Haiti, Paraguay, Saint Christopher-Nevis, Malagasy Republic, the Ivory Coast, Congo and Uruguay.

NOTE 2: Beginning with the quota year beginning September 26, 1983, the quota allocations for Nicaragua, Costa Rica, El Salvador and Honduras shall be as follows:

Nicaragua-----5,443 metric tons, raw value.

El Salvador-----2.6 percent of the total base quota amount permitted to be imported under paragraphs (a) and (b) of this legal note plus 18 percent of the difference between 2.1 percent of the total base quota amount and 5,443 metric tons, raw value.

Honduras------1 percent of the total base quota amount plus 52 percent of the difference between 2.1 percent of the total base quota amount and 5,443 metric tons, raw value.

Costa Rica------1.5 percent of the total base quota amount plus 30 percent of the difference between 2.1 percent of the total base quota amount and 5,443 metric tons, raw value.

Notwithstanding the allocation provisions set forth above, the Secretary may, after consultation with the United States Trade Representative, the Department of State and the Department of the Treasury, issue regulations modifying the allocation provisions governing "Other specified countries and areas" if the Secretary determines that such modifications are appropriate to provide such countries and areas reasonable access to the U.S. sugar market. Such regulations may, among other things, provide for the establishment of minimum quota amounts, the establishment of quota periods other than quarterly periods, and the carrying forward of unused quota amounts into subsequent quota periods.

(ii) The total amount of specialty sugars permitted to be imported under paragraphs (a) and (b) of this note shall be allocated by providing each of the following countries an annual quota of 72 metric tons, raw value, for the importation of specialty sugars:

Belgium Indonesia
Burma Ireland
Cameroon Italy
China, People's Republic of Japan
Denmark Kenya
France Luxembourg
Germany, Federal Republic of Netherlands
Hong Kong Netherlands Antilles

South Korea Surinam Sweden Switzerland United Kingdom Venezuela Yemen

- (iii) Notwithstanding any authority given to the United States Trade Representative under paragraphs (e) and (g) of this note, in allocating any limitation imposed under any paragraph of this note on the quantity of sugars, syrups, and molasses described in the subheadings cited under paragraph (a) of this note which may be entered -
 (A) the percentage allocation made to the Phillipines under this paragraph may not be reduced, and

 - (B) no allocation may be made to the Republic of South Africa.
- (d) The Secretary, after consultation with the United States Trade Representative and the Department of State, may suspend the allocation provisions of paragraph (c), or may establish quantitative limitations for periods of time other than calendar quarters as provided in paragraph (b), if the Secretary determines that such action or actions are appropriate to give due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade. The Secretary may reinstate the allocation provisions of paragraph (c), or may amend any quantitative limitations (including the time period for which such limitations are applicable) which have previously been established under this paragraph or paragraph (b), if the Secretary determines that the considerations set forth in the previous sentence so warrant. The Secretary shall inform the Secretary of the Treasury of any determination made under this paragraph. Notice of such determinations shall be filed with the Federal Register, and such determinations shall not become effective until the day following the date of filing of such notice or such later date as may be specified by the Secretary. such later date as may be specified by the Secretary.
- The United States Trade Representative or his designee, after consultation with the Department of Agriculture and the Department of State, may modify the allocation provisions of paragraph (c) (including the deletion or addition of any country or area), and may prescribe further rules, limitations or prohibitions on the entry of sugar if he finds that such actions are appropriate to carry out the obligations of the United States under the International Sugar Agreement 1977, or any successor agreement thereto, and that such actions give due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade. If the United States Trade Representative takes any such action, he shall so inform the Secretary of Agriculture and shall publish notice thereof in the FederalRegister. Such action shall not become effective until the day following the date of filing of such notice or such later date as may be specified by the United States Trade Representative.
- (f) The Secretary shall, in consultation with the United States Trade Representative, the Department of State and other Secretary shall determine whether the continued operation of paragraphs (b), (c), (d) and (e) of this note gives due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, and whether the operation of paragraphs (g) of this note would give due consideration to such interests. The Secretary shall file a notice of such determinations in the Federal Register no later than September 1 of each year. If the Secretary determines that the continued operation of paragraphs (b), (c), (d) and (e) of this note would not give due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreements on Tariffs and Trade, and that the provisions of paragraph (g) of this note would give due considerations to such interests, paragraphs (b), (c), (d) and (e) of this note shall terminate as of the first day of October following such determination.
- If paragraphs (b), (c), (d) and (e) of this note are terminated under the provisions of paragraph (f) of this note, the total amount of sugars, syrups and molasses described in the above-mentioned subheadings, the products of all foreign countries, entered, or withdrawn from warehouse for consumption, in any fiscal (October 1-September 30) year shall not exceed, in the aggregate, 6,259,576 metric tons, raw value. The United States Trade Representative or his designee may allocate this quantity among supplying countries or areas, and may prescribe further rules, regulations, limitations or prohibitions on the entry of sugar in accordance with the International Sugar Agreement, 1977, and Public Law 96-236. The United States Trade Representative or his designee shall inform the Commissioner of Customs of any such action regarding the importation of sugar, and shall publish notice thereof in the Federal Register.
- (h) For the purposes of this note, the term "raw value" means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope as determined in accordance with regulations issued by the Secretary of the Treasury. Such regulations may, among other things, provide: (1) for the entry of such articles pending a final determination of polarity; and (2) that positive or negative adjustments for differences in preliminary and final raw values be made in the same or succeeding quota periods. The principal grades and types of sugar shall be translated into terms of raw value in the following manner
 - For articles described in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, 1702.90.40, 1806.10.40 and 2106.90.10, by multiplying the number of kilograms thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).
 - (ii) For articles described in subheading 1702.90.30, by multiplying the number of kilograms of the total sugars thereof (the sum of the sucrose and reducing or invert sugars) by 1.07.
 - (iii) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above
- (ij) The Secretary may exempt the entry of articles described in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, The Secretary may exempt the entry of articles described in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, 1702.90.30, 1702.90.40, 1806.10.40 and 2106.90.10 from the requirements or limitations established pursuant to this note on the condition that such articles: (a) be used only for the production (other than by distillation) of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar in human food consumption; or (2) be re-exported in refined form or in sugar-containing products. Such articles shall be entered under licenses issued pursuant to regulations promulgated by the Secretary. In promulgating such regulations, the Secretary shall give due consideration to the interests in the U.S. sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade. Such regulations may contain any terms, conditions, bonds or other limitations as the Secretary determines are appropriate to ensure that articles imported under license are used only for the purposes specified in this paragraph. This paragraph shall terminate whenever paragraphs (b), (c), (d) and (e) of this note are terminated under paragraph (f) of this note.

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- 4. For such period as there is in effect a proclamation issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to protect a price-support program for sugar beets and sugar cane, the importation and duty-free treatment of sugars, syrups, and molasses, provided for in subheadings 1701.11, 1701.12, 1701.91.20, 1701.99, 1702.90.30, 1702.90.40, 1806.10.40 and 2106.90.10, in accordance with general note 3(c)(vi), shall be governed in the following manner:
 - governed in the following manner:

 (a) (i) For all beneficiary countries, except those subject to subparagraph (ii) and paragraph (b), duty-free treatment shall be provided in the same manner as it is provided pursuant to title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.), at the time of the effective date of the Caribbean Basin Economic Recovery Act; except that the President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the value limitation provided for in section 504(c)(1) of the Trade Act of 1974 on the duty-free treatment afforded to beneficiary countries under general note 3(c)(vi) if he finds that such adjustment will not interfere with the price support program for sugar beets and sugar cane and is appropriate in light of market conditions.
 - (ii) As an alternative to subparagraph (i), the President may, at the request of a beneficiary country not subject to paragraph (b) and upon the recommendation of the Secretary of Agriculture, elect to permit sugar, syrups, and molasses from that country to enter duty-free during a calendar year subject to quantitative limitations to be established by the President on the quantity of sugar, syrups, and molasses entered from that country.
 - (b) For the following countries whose exports of sugar, syrups, and molasses in 1981 were not eligible for duty-free treatment because of the operation of section 504(c)of the Trade Act of 1974, the quantity of sugar, syrups, and molasses which may be entered in any calendar year shall be limited to no more than the quantity specified below:

Dominican Republic 780,000 metric tons Guatemala 210,000 metric tons Panama 160,000 metric tons

- (c) The President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the quantitative limitations imposed under paragraph (a)(ii) or (b) if he determines such action will not interfere with the price-support program for sugar beets and sugar cane and is appropriate in light of market conditions. The President, upon the recommendation of the Secretary of Agriculture, may suspend the duty-free treatment for all or part of the quantity of sugar, syrups, and molasses permitted to be entered by paragraphs (a)(ii) and (b) if such action is necessary to protect the price-support program for sugar beets and sugar cane.
- (d) Any quantitative limitation imposed on a beneficiary country under paragraphs (a)(ii) and (b) shall apply only to the extent that such limitation permits a lesser quantity of sugar, syrups, and molasses to be entered from that country than the quantity that would be permitted to be entered under any other provision of law.
- 5. Heading 1703 does not include products derived from sugar cane or sugar beet and containing soluble non-sugar solids (excluding any foreign substance that may have been added or developed in the product) equal to 6 percent or less by weight of the total soluble solids.

1701	in solid form: Raw sugar	not containing added flavoring				
1701.11.00	or colori Cane	ng matter: sugar <u>1</u> /		1.4606¢/ kg less 0.020668¢/ kg for each degree under 100 degrees (and frac- tions of a	Free (A*,E*,IL) 2/ 1.3145¢/kg less 0.018601¢/kg for each degree under 100 degrees (and fractions of a degree in	4.3817¢/ kg less 0.062005¢/kg for each degree under 100 degrees (and
				degree in proportion) but not less than 0.943854¢ /kg <u>2</u> /	proortion) but not less than 0.849468¢/kg (CA) <u>2</u> /	frac- tions of a degree in pro- portion) but not less than 2.831562¢ /kg 2/
25 8		Not to be further refined or improved in quality	kg			_
45 4		Other	t raw value v kq			
1701.12.00		sugar <u>1</u> /		1.4606¢/ kg less 0.020668¢/ kg for each degree under 100 degrees (and frac- tions of a degree in proportion) but not less than	Free (A*,E*,IL) 2/ 1.3145¢/kg less 0.018601¢/kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 0.849468¢/kg (CA) 2/	4.3817¢ /kg less 0.062005¢ /kg for each degree under 100 degrees (and frac- tions of a degree in pro-
port	cion)			0.943854¢/ kg <u>2</u> /		but not less than 2.831562¢ /kg <u>2</u> /
25 7		Not to be further refined or improved in quality	kg			,3 <u>=</u> /
45 3		Other	t raw value v kg			

 $[\]frac{1}{2}$ / Imports of cane and beet sugar are subject to quotas (see Additional U.S. Note 3). $\frac{2}{2}$ / Certain imports of sugars, syrups and molasses, derived from sugar cane or sugar beets are subject to additional section 22 fees or licensing requirements. See subheading 9904.40.20.

1701 (con.)		peet sugar and chemically pure sucrose, form (con.):				
1701.91	Othe	r: Containing added flavoring or coloring matter:				
1701.91.20		Containing added coloring but not added flavoring matter 1/		1.4606¢/ kg less 0.020668¢/ kg for each degree under 100 degrees (and frac- tions of a degree in proportion) but not less than	Free (A*,E*,IL) 2/ 1.3145¢/kg less 0.018601¢/kg for each degree under 100 degrees (and fractions of a degree in proportion (but not less than 0.849468¢/kg (CA) 2/	4.3817¢/ kg less 0.062005¢/kg for each degree under 100 degrees (and frac- tions of a degree in pro-
	portion)			0.943854¢/ kg <u>2</u> /		but not less than 2.831562¢ /kg 2/
	25 7	Not to be further refined or improved in quality	kg			
	45 3	Other	t raw value v kq			
1701.91.40	00 2	Containing added flavoring matter whether or not containing added coloring 3/		6%	Free (A,E,IL)	20%
1701.99.00	00.2	Other 1/			5.4% (CA)	200
1701.33.00	00 2	Other 1/	valuev kg	1.4606¢/ kg less 0.020668¢/ kg for each degree under 100 degrees (and frac- tions of a degree in proportion) but not less than 0.943854¢/ kg 2/	Free (A*,E*,IL) 2/ 1.3145/kg less 0.018601/kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 0.849468/kg (CA) 2/	4.3817¢/ kg less 0.062005¢/ kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 2.831562¢/ kg 2/

^{1/} Imports of cane and beet sugar are subject to quotas (see Additional U.S. Note 3).
2/ Certain imports of sugars, syrups and molasses, derived from sugar cane or sugar beets are subject to additional section
22 fees or licensing requirements. See suheading 9904.40.20.
3/ Certain articles are subject to a quota. See subheading 9904.50.40.

1702		Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavoring or coloring matter; artificial honey, whether or not mixed with natural honey; caramel:				
1702.10.00	00 7	Lactose and lactose syrup	kg	10%	Free (E,IL) 9% (CA)	50%
1702.20 1702.20.20	00 1	Maple sugar and maple syrup: Blended with other sugars of this chapter <u>1</u> /	kg	6%	Free (A,E,IL) 5.4% (CA)	20%
1702.20.40 1702.30	00 7	Other	kg	Free	, , , , , , , , , , , , , , , , , , ,	9¢/kg
1702.30.20	00 9	Blended with other sugars of this chapter $\underline{1}/\ldots$	kg	6%	Free (A,E,IL)	20%
1702.30.40	00 5	Other	kg	3.5¢/kg	5.4% (CA) Free (E,IL) 3.1¢/kg (CA)	4.4¢/kg
1702.40.00		Glucose and glucose syrup, containing in the dry state at least 20 percent but less than 50 percent by weight of fructose $\underline{1}/\underline{2}/\ldots$		6%	Free (A,E,IL)	20%
1702.50.00	20 7 40 3 00 8	Derived solely from starches Other	kg	15%	5.4% (CA) Free (E,IL)	50%
1702.60.00		Other fructose and fructose syrup, containing in the dry state more than 50 percent by weight of fructose 1/		6%	13.5% (CA) Free (A,E,IL)	20%
	20 2	Derived solely from starches			5.4% (CA)	
1702.90	40 8 60 3	Other: Syrup Other Other, including invert sugar:				
1702.90.30	00 4	Derived from sugar came or sugar beets: Containing soluble non-sugar solids (excluding any foreign substance that may have been added or developed in the pro- duct) equal to 6 percent or less by weight of the total soluble				
		solids <u>2</u> /	kg	Dutiable on total sugars at the rate per kg applicable under heading 1701 to sugar testing 100 degrees 3/	Free (A,E*,IL) 3/Dutiable on total sugars at the rate per kg applicable under heading 1701 to sugar testing 100 degrees (CA) 3/	Dutiable on total sugars at the rate per kg applicable under heading 1701 to sugar testing 100 degrees 3/
1702.90.35	00 9	Other: Invert molasses	ka		Free (A,E,IL) 0.6¢/liter (CA)	1.8¢/liter
1702.90.40	00 2	Other <u>2</u> /	liters.v kq		Free (A, E, IL) <u>3/</u> 0.6¢/liter (CA) 3/	1.8¢/liter 3/
1702.90.50	00 9	Other <u>4</u> /	kğ	6%	Free (A,E,IL) 5.4% (CA)	20%

^{1/} Certain articles are subject to a quota. See subheading 9904.50.20.
2/ Imports of cane and beet sugar are subject to quotas (see Additional U.S. Note 3).
3/ Certain imports of sugars, syrups and molasses, derived from sugar cane or sugar beets are subject to additional section fees or licensing requirements. See subheadings 9904.40.20 and 9904.40.60.
4/ Certain articles are subject to a quota. See subheadings 9904.50.20 and 9904.50.40.

1703		Molasses resulting from the extraction or refining of sugar:				
1703.10 1703.10.30	00 0	Cane molasses: Imported for (a) the commercial				
		extraction of sugar or (b) human consumption	_	0.77¢/liter	Free (A,E,IL) 0.6¢/liter (CA)	1.8¢/liter
1703.10.50	00 5	Other		0.026¢/kg of total sugars	Free (A,E,IL) 0.023¢/kg of total sugars (CA)	0.07¢/kg of total sugars
1703.90 1703.90.30	00 3	Other: Imported for (a) the commercial				
		extraction of sugar or (b) human consumption	liters <u>1</u> /	0.77¢/liter	Free (A,E,IL) 0.6¢/liter (CA)	1.8¢/liter
1703.90.50	8 00	Other		0.026¢/kg	Free (A,E,IL)	0.07¢/kg
			kg total sugars	of total sugars	0.023¢/kg of total sugars (CA)	of total sugars
1704		Sugar confectionery (including white chocolate), not containing cocoa:			,	
1704.10.00	00 5	Chewing gum, whether or not sugar-coated	kg	5%	Free (A,E,IL) 4.5% (CA)	20%
1704.90		Other: Confections or sweetmeats ready for consumption:			,	
1704.90.10	00 6	Candied nuts	kg	7%	Free (E,IL) 5.4% (CA)	40%
1704.90.20		Other <u>2</u> /		7%	Free (A,E,IL) 6.3% (CA)	40%
	05 9 10 2	Put up for retail sale Other				
		Other:				
1704.90.40	00 0	Articles of milk or cream $3/$			Free (E,IL) 15.7% (CA)	35%
1704.90.60		Other		12.2%	Free (E,IL) 10.9% (CA)	12.2%
	10 3	Provided for in subheading 9904.10.75	kg			
	20 1	Provided for in subheading 9904.10.81	kg			
	30 9	Provided for in subheading 9904.50.40	kg			
	40 7	Provided for in subheading 9904.60.60	kg			
	50 4	Other	kg			

^{1/} Report liters of dried molasses on the basis of 0.72 kg/liter. 2/ Certain imports are subject to a quota. See subheading 9903.17.05. 3/ Imports of these products are subject to a quota. See subheading 9904.10.60.