

ANNEX 2.3

UNDERSTANDING CONCERNING ARTICLE 2

1. Articles 2.3 and 2.4 shall not apply to:
 - (a) controls by the United States on the export of logs of all species;
 - (b)
 - (i) measures under existing provisions of the *Merchant Marine Act of 1920*, 46 App. U.S.C. § 883; the *Passenger Vessel Act*, 46 App. U.S.C. §§ 289, 292 and 316; and 46 U.S.C. § 12108, to the extent that such measures were mandatory legislation at the time of the United States' access to the General Agreement on Tariffs and Trade 1947 and have not been amended so as to decrease their conformity with Part II of GATT 1947;
 - (ii) the continuation or prompt renewal of a non-conforming provision of any statute referred to in subparagraph (b); and
 - (iii) the amendment to a non-conforming provision of any statute referred to in subparagraph (b) to the extent that the amendment does not decrease the conformity of the provision with Articles 2.3 and 2.4; and
 - (c) Actions authorized by the Dispute Settlement Body of the WTO
2. For purposes of Article 2.1 and 2.4:
 - (a) "customs duty" includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:
 - (i) charge equivalent to an internal tax imposed consistently with Article III:2 GATT 1994, in respect of like, directly competitive or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;
 - (ii) antidumping or countervailing duty that is applied pursuant to a Party's domestic law;
 - (iii) fee or other charge in connection with importation commensurate with the cost of services rendered; and
 - (iv) a duty imposed pursuant to Article 5 of the WTO Agreement on Agriculture.
 - (b) "quantitative restriction" includes any prohibition or restriction on the importation of any good of another Party, except in accordance with Article XI of GATT 1994 or Article 6 of the WTO Agreement on Textiles and Clothing, including their interpretative notes, and to this end, Article XI of GATT 1994 and Article 6 of the WTO Agreement on Textiles and Clothing are incorporated into and made a part of this Annex.