

**ANNEX 2-B**  
**TARIFF ELIMINATION**

1. Base Rates of Customs Duty. Except as otherwise indicated, the base rates of customs duty set forth in this schedule reflect the HTSUS Column 1 General rates of duty in effect January 1, 2004, for the United States and the general rates of duty in Schedule 3 to the Australian Customs Tariff Act 1995, in effect January 1, 2004, for Australia.
2. Staging. Except as otherwise provided in a Party's Schedule attached to this Annex, the following staging categories apply to the elimination of duties by each Party pursuant to Article 2.3:
  - (a) duties on goods provided for in the items in staging category A shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force;
  - (b) duties on goods provided for in the items in staging category B shall be removed in equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year four;
  - (c) duties on goods provided for in the items in staging category C shall be removed in equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year eight;
  - (d) duties on goods provided for in the items in staging category D shall be removed in equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year ten; and
  - (e) goods provided for in staging category E shall continue to receive duty-free treatment.