

United States International Trade Commission

Modifications to the Harmonized Tariff Schedule of the United States to Implement the Dominican Republic - Central America - United States Free Trade Agreement With Respect to the Dominican Republic

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February 2007



U.S. International Trade Commission

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Pursuant to the letter of request from the United States Trade Representative of February 21, 2007, set forth in the Appendix hereto, and pursuant to section 1207(a) of the Omnibus Trade and Competitiveness Act, the Commission is publishing the following modifications to the Harmonized Tariff Schedule of the United States (HTS) to implement the Dominican Republic-Central America-United States Free Trade Agreement, as approved in the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, with respect to the Dominican Republic.

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Annex I

Effective with respect to goods that are entered, or withdrawn from warehouse for consumption, on or after March 1, 2007, the Harmonized Tariff Schedule of the United States (HTS) is modified as provided herein, with bracketed matter included to assist in the understanding of proclaimed modifications. The following supersedes matter now in the HTS.

(1). General note 4 is modified as follows:

(a). by deleting from subdivision (a) the following country from the enumeration of independent beneficiary developing countries:

Dominican Republic

(b). by deleting from subdivision (d) the following subheadings and the country set out opposite each such subheading:

0714.20.20	Dominican Republic
1703.10.30	Dominican Republic
1703.90.50	Dominican Republic
2008.30.10	Dominican Republic
2008.99.23	Dominican Republic
2008.99.45	Dominican Republic
2106.90.12	Dominican Republic
2306.50.00	Dominican Republic
2402.10.80	Dominican Republic
2403.91.20	Dominican Republic
3501.90.20	Dominican Republic
3920.59.80	Dominican Republic
4107.12.70	Dominican Republic
5308.90.10	Dominican Republic
6406.10.85	Dominican Republic
7113.19.50	Dominican Republic
8535.40.00	Dominican Republic
8536.20.00	Dominican Republic

(c). deleting from subdivision (d) the country set opposite each subheading:

0710.29.30	Dominican Republic
0714.20.10	Dominican Republic
1701.11.10	Dominican Republic
1702.90.40	Dominican Republic
1806.32.55	Dominican Republic
2202.90.36	Dominican Republic
7801.99.30	Dominican Republic

Annex I (continued)

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(d). by making the following conforming changes to the HTS: for the following subheadings, the Rates of Duty 1-Special subcolumn is modified by deleting the symbol "A*" and inserting an "A" in lieu thereof.

0714.20.20
1703.10.30
1703.90.50
2008.30.10
2008.99.23
2008.99.45
2106.90.12
2306.50.00
2402.10.80
2403.91.20
3501.90.20
3920.59.80
4107.12.70
5308.90.10
6406.10.85
7113.19.50
8535.40.00
8536.20.00

(2). General note 7 is modified as follows:

(a). by deleting from subdivision (a) the following country from the enumeration of designated beneficiary countries:

Dominican Republic

(b). by adding to the list of countries in subdivision (b)(i)(C) the following country:

Dominican Republic

(3). General note 17 is modified as follows:

(a). by deleting from subdivision (a) the following country from the enumeration of designated beneficiary countries:

Dominican Republic

(b). by adding to subdivision (e)(i) the following new subdivision:

Annex I (continued)

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"(C) Notwithstanding subdivisions (e)(i)(A) and (e)(i)(B), an article that is a good of a former CBTPA beneficiary country for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, shall not be eligible for preferential treatment under this note."

The provisions of such subdivision (C), as added above, shall be effective with respect to goods of the countries enumerated in the first column below that are entered, or withdrawn from warehouse for consumption, on or after the dates in the second column below:

El Salvador	March 1, 2006
Honduras	April 1, 2006
Nicaragua	April 1, 2006
Guatemala	July 1, 2006;

(c) by adding to the list of countries in subdivision (e)(ii)(B) the following country:

Dominican Republic

(d) by adding to subdivision (e)(i) the following new subdivision:

"(D) Notwithstanding subdivision (e)(i)(C) of this note, an article shall be eligible for preferential treatment under this note if--

- (1) the article is a good of Dominican Republic for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, and
- (2) the article, or a good used in the production of the article, undergoes production in Haiti."

(4). General note 29 is modified as follows:

(a). Subdivision (a)(iii) is modified by inserting " , Dominican Republic" before "El Salvador".

(b). Subdivision (n) is modified by

(i) inserting immediately below tariff classification rule 4 for chapter 27, the following new note and tariff classification rules applicable to goods of Dominican Republic, under the terms of this general note:

"Note: The following tariff classification rule 4A for heading 2710 shall also apply with respect to an aggregate quantity of the metric equivalent of 24,000,000 gallons of goods of Dominican Republic for a period of two years after the date of entry into force of the Agreement specified in subdivision (a) of this note as between Dominican Republic and the United States, after which period this note and rule 4A below shall be deleted from the tariff schedule.

4A. A change to any good of heading 2710 from any other good of heading 2710, provided that the good resulting from such change results from a chemical reaction, atmospheric distillation or vacuum distillation, or from a process that alters the viscosity of the good."

Annex I (continued)

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(ii) inserting, immediately below tariff classification rule 1 for chapter 39, the following new note and tariff classification rule applicable to goods of Dominican Republic, under the terms of this general note:

Note: The following tariff classification rules 1A through 1E for headings 3901 through 3915 shall also apply with respect to goods of Dominican Republic for a period of two years after the date of entry into force of the Agreement specified in subdivision (a) of this note as between Dominican Republic and the United States, after which period this note and tariff classification rules 1A through 1E below shall be deleted from the tariff schedule.

- 1A. A change to subheadings 3903.20 through 3903.90 from any other heading, provided there is a regional value content of not less than 35 percent when the build-down method is used.
- 1B. A change to subheadings 3904.21 through 3904.40 from any other heading, provided there is a regional value content of not less than 35 percent when the build-down method is used.
- 1C. A change to subheadings 3905.12 through 3905.29 from any other heading, provided there is a regional value content of not less than 35 percent when the build-down method is used.
- 1D. A change to subheading 3906.90 from any other heading, provided there is a regional value content of not less than 35 percent when the build-down method is used.
- 1E. A change to subheadings 3907.50 through 3907.99 from any other heading, provided there is a regional value content of not less than 35 percent when the build-down method is used."

(5). U.S. note 7(b) to subchapter II of chapter 98 is modified as follows:

(a). by deleting from subdivision (i) the following country from the enumeration of designated beneficiary countries:

Dominican Republic

(b). by redesignating subdivision (ii)(C) as subdivision (ii)(D) and adding to subdivision (ii) the following new subdivision:

"(C) Notwithstanding subdivisions (e)(ii)(A) and (e)(ii)(B), an article that is a good of a former CBTPA beneficiary country for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, shall not be eligible for preferential treatment under this note."

The provisions of such subdivision (C), as added above, shall be effective with respect to goods of the countries enumerated in the first column below that are entered, or withdrawn from warehouse for consumption, on or after the dates in the second column below:

El Salvador	March 1, 2006
Honduras	April 1, 2006
Nicaragua	April 1, 2006
Guatemala	July 1, 2006;

Annex I (continued)

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- (c). by redesignating the former subdivision (ii)(C) as (ii)(D), and adding to the list of countries in subdivision (ii)(D)(2) the following country:

Dominican Republic

- (d). by adding to subdivision (ii) the following new subdivision:

“(E) Notwithstanding subdivision (ii)(C) of this note, an article shall be eligible for preferential treatment under this note if--

- (1) the article is a good of Dominican Republic for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, and
- (2) the article, or a good used in the production of the article, undergoes production in Haiti.”.

- (6). Subchapter XX of chapter 98 is modified as follows:

- (a). by deleting from U.S. note 1 the following country from the enumeration of designated beneficiary countries:

Dominican Republic

- (b). by redesignating subdivision (c) of U.S. note 5 as subdivision (e), and by inserting in such note the following new subdivisions:

“(c) Notwithstanding subdivisions (a) and (b) of this note, an article that is a good of a former CBTPA beneficiary country for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, shall not be eligible for preferential treatment under this note.

(d) Notwithstanding subdivision (c) of this note, an article shall be eligible for preferential treatment under this note if--

- (1) the article is a good of Dominican Republic for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, and
- (2) the article, or a good used in the production of the article, undergoes production in Haiti.”

The provisions of such subdivision (c), as added above, shall be effective with respect to goods of the countries enumerated in the first column below that are entered, or withdrawn from warehouse for consumption, on or after the dates in the second column below:

El Salvador	March 1, 2006
Honduras	April 1, 2006
Nicaragua	April 1, 2006
Guatemala	July 1, 2006;

Annex I (continued)

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- (c). by adding to the list of countries in subdivision (e)(ii) of U.S. note 5 (as redesignated above) the following country:

Dominican Republic

- (7). (a). U.S. note 25 to subchapter XXII of chapter 98 is modified by inserting the following new paragraph in subdivision (a):

“(iv) During the period from March 1, 2007 through December 31, 2007, inclusive, the aggregate quantity of goods described in U.S. note 23 to this subchapter of each party to the Agreement as defined in general note 29(a) enumerated in the table below that is entered under subheading 9822.05.20 shall be limited to the aggregate quantity (set forth in metric tons) specified below for that country:

Dominican Republic	0”
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- (b). U.S. note 25 to such subchapter is modified by inserting in the table in subdivision (b)(ii) the following country in alphabetical sequence, and inserting in such table the associated quantities for that country set forth herein for each of the years already specified in such subdivision:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	(metric tons)			
“Dominican Republic	10,400	10,600	10,800	11,000”
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
		(metric tons)		
“Dominican Republic	11,200	11,400	11,600	11,800
			<u>2016</u>	<u>2017</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	(metric tons)			
“Dominican Republic	12,200	12,400	12,600	12,800
				13,000”

- (c). The following country and associated quantity for that country is inserted in alphabetical sequence in the table in the final sentence of such subdivision (b)(ii):

	<u>Quantity</u>
	(metric tons)
“Dominican Republic	200”

- (8). The last sentence of U.S. note 1 to subchapter IV of chapter 99 is modified by adding “, Dominican Republic” to the end of the list of countries.

- (9). The U.S. notes and provisions of subchapter XV of chapter 99 are modified as set forth herein.

- (a). U.S. note 4 is modified as follows:

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(i). by deleting “El Salvador, Honduras or Nicaragua” in the first and third sentences and inserting “Dominican Republic, El Salvador, Honduras or Nicaragua” in lieu thereof at each instance;

(ii). by inserting in the table in such note the following country and the associated quantities for such country under the specified years:

	<u>3/1/2007- 12/31/2007</u>	<u>2008</u> (metric tons)	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
“Dominican Republic	1,440	1,560	1,680	1,800	1,920	2,040	2,160”
	<u>2014</u>	<u>2015</u> (metric tons)	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
“Dominican Republic	2,280	2,400	2,520	2,640	2,760	2,880”	

(b). U.S. note 8 is modified as follows:

(i). in subdivision (a) and (b), by deleting “El Salvador, Guatemala or Nicaragua” in the first and second sentence and inserting “Dominican Republic, El Salvador, Guatemala or Nicaragua” in lieu thereof;

(ii). in subdivision (a), by inserting in the table in such subdivision the following country and the associated quantities for such country under the specified years:

	<u>3/1/2007- 12/31/2007</u>	<u>2008</u> (metric tons)	<u>2009</u>	<u>2010</u>	<u>2011</u>
“Dominican Republic	120	130	140	150	160”
	<u>2012</u>	<u>2013</u> (metric tons)	<u>2014</u>	<u>2015</u>	<u>2016</u>
“Dominican Republic	170	180	190	200	210”
	<u>2017</u>	<u>2018</u> (metric tons)	<u>2019</u>	<u>2020</u>	<u>2021</u>
“Dominican Republic	220	230	240	250	260”
	<u>2022</u>	<u>2023</u> (metric tons)	<u>2024</u>		
“Dominican Republic	270	280	290”		

(iii). in subdivision (b), by inserting in the table in such subdivision the following country and the quantities for such country under the specified years:

	<u>3/1/2007- 12/31/2007</u>	<u>2008</u> (metric tons)	<u>2009</u>	<u>2010</u>	<u>2011</u>
“Dominican Republic	36	39	42	45	48”
	<u>2012</u>	<u>2013</u> (metric tons)	<u>2014</u>	<u>2015</u>	<u>2016</u>
“Dominican Republic	51	54	57	60	63”

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	<u>2017</u>	<u>2018</u> (metric tons)	<u>2019</u>	<u>2020</u>	<u>2021</u>
"Dominican Republic	66	69	72	75	78"
	<u>2022</u>	<u>2023</u> (metric tons)	<u>2024</u>		
"Dominican Republic	81	84	87"		

(c). The following new U.S. note is inserted in numerical sequence:

"9. The aggregate quantity of goods described in U.S. note 2 to this subchapter of Dominican Republic entered under subheading 9915.04.79 during the period from March 1, 2007 through December 31, 2007 shall not exceed 240 metric tons. The aggregate quantity of such goods of Dominican Republic entered under subheading 9915.04.79 in any calendar year enumerated below shall not exceed the quantity specified for that year.

<u>Year</u> (metric tons)	<u>Quantity</u>	<u>Year</u> (metric tons)	<u>Quantity</u>	<u>Year</u> (metric tons)	<u>Quantity</u>
2008	260	2014	380	2020	500
2009	280	2015	400	2021	520
2010	300	2016	420	2022	540
2011	320	2017	440	2023	560
2012	340	2018	460	2024	580
2013	360	2019	480		

Beginning in calendar year 2025, the quantitative limitations set forth in this note shall cease to apply to such goods of Dominican Republic.

Unless earlier modified or terminated, this note and subheading 9915.04.79 shall be deleted from the tariff schedule at the close of December 31, 2025."

(d). U.S. note 10 is modified as follows:

(i). in subdivision (a), by inserting in the table in such subdivision the following country and the associated quantities for such country under the specified years.

	<u>3/1/2007- 12/31/2007</u> (metric tons)	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
"Dominican Republic	450	488	525	563	600"
	<u>2012</u> (metric tons)	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
"Dominican Republic	638	675	713	750	788"
	<u>2017</u> (metric tons)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
"Dominican Republic	825	863	900	938	975"
	<u>2022</u> (metric tons)	<u>2023</u>	<u>2024</u>		
"Dominican Republic	1,013	1,050	1,088"		

Annex I (continued)
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(ii). in subdivision (b), by inserting in the table in such subdivision the following country and the associated quantities for such country under the specified years:

	<u>“3/1/2007- 12/31/2007 (metric tons)</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
“Dominican Republic	135	146	158	169	180”
	<u>2012 (metric tons)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
“Dominican Republic	191	202	214	225	236”
	<u>2017 (metric tons)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
“Dominican Republic	248	259	270	281	292”
	<u>2022 (metric tons)</u>	<u>2023</u>	<u>2024</u>		
“Dominican Republic	304	315	326”		

(e). U.S. note 14 is modified as follows:

(i). in subdivision (a), by inserting in the table in such subdivision the following country and the associated quantities for such country under the specified years:

	<u>“3/1/2007- 12/31/2007 (liters)</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
“Dominican Republic	174,757	189,320	203,883	218,446	233,009”
	<u>2012 (liters)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
“Dominican Republic	247,572	262,135	276,698	291,261	305,824”
	<u>2017 (liters)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
“Dominican Republic	320,387	334,950	349,513	364,076	378,639”
	<u>2022 (liters)</u>	<u>2023</u>	<u>2024</u>		
“Dominican Republic	393,202	407,765	422,328”		

Annex I (continued)

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(ii). in subdivision (b), by inserting in the table in such subdivision the following country and the associated quantities for such country under the specified years:

	<u>3/1/2007- 12/31/2007</u> (liters)	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
"Dominican Republic	52,427	56,796	61,165	65,534	69,903"
	<u>2012</u> (liters)	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
"Dominican Republic	74,272	78,640	83,009	87,378	91,747"
	<u>2017</u> (liters)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
"Dominican Republic	96,116	100,485	104,854	109,223	113,592"
	<u>2022</u> (liters)	<u>2023</u>	<u>2024</u>		
"Dominican Republic	117,961	122,330	126,698"		

(f). The superior text to subheading 9915.02.05 reading "Of El Salvador, Honduras or Nicaragua:" is deleted and a new superior text reading "Of Dominican Republic, El Salvador, Honduras or Nicaragua:" is inserted in lieu thereof.

(g). The superior text to subheading 9915.04.30 reading "Of El Salvador, Guatemala, or Nicaragua:" is deleted and a new superior text reading "Of Dominican Republic, El Salvador, Guatemala, or Nicaragua:" is inserted in lieu thereof.

(h). The following new heading is inserted in numerical sequence in such subchapter, with the material inserted in the columns entitled "Heading/Subheading", "Article Description", and "Rates of Duty 1 Special", respectively:

	:[Goods described in U.S. note 2 to this subchapter:]	:	:	:
	: Of Dominican Republic:	:	:	:
9915.04.79	: Goods provided for in subheading 0402.91.70,	:	:	:
	: 0402.91.90, 0402.99.45 or 0402.99.55 subject	:	:	:
	: to the quantitative limits specified in	:	:	:
	: U.S. note 9 to this subchapter	:	:Free (P+)	:

Annex II

Modifications to the Rates of Duty 1-Special Subcolumn of the Harmonized Tariff Schedule of the United States (HTS)

Section A. Effective with respect to originating goods under the terms of general note 29 to the tariff schedule that are entered, or withdrawn from warehouse for consumption, on or after March 1, 2007:

(1) Additional U.S. note 4 to chapter 9 is modified by inserting “Dominican Republic,” alphabetically into the list of countries.

(2). The Rates of Duty 1-Special subcolumn for the following subheadings is modified by deleting “See 9915.04.30, 9915.04.32, 9915.04.56 (P+)” and inserting “See 9915.04.30, 9915.04.32, 9915.04.56, 9915.04.79 (P+)” in lieu thereof.

0402.91.70

0402.91.90

(3). The Rates of Duty 1-Special subcolumn for the following subheadings is modified by deleting “See 9915.04.30, 9915.04.33, 9915.04.57 (P+)” and inserting “See 9915.04.30, 9915.04.33, 9915.04.57, 9915.04.79 (P+)” in lieu thereof.

0402.99.45

0402.99.55

Section B. Effective with respect to originating goods under the terms of general note 29 to the tariff schedule that are entered, or withdrawn from warehouse for consumption, on or after January 1, 2025, the HTS is modified as follows:

The Rates of Duty 1-Special subcolumn is modified by, for the following subheadings, deleting the “(P+)” and the phrase preceding such symbol:

0402.91.70

0402.91.90

0402.99.45

0402.99.55

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

FEB 21 2007

The Honorable Daniel R. Pearson
Chairman
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Chairman Pearson:

The U.S. International Trade Commission (Commission) played an important role in supporting the negotiation of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). I appreciate the tremendous efforts the Commission made in connection with this agreement and the significant assistance that the Commission continues to provide in support of the Administration's other major negotiations.

President Bush is expected to proclaim preferential tariff treatment to implement the CAFTA-DR with respect to the Dominican Republic effective as of March 1, 2007. USTR staff has worked closely with Commission staff on drafts of the modifications to the Harmonized Tariff Schedule of the United States (HTSUS) that the President will proclaim to implement the CAFTA-DR with respect to the Dominican Republic. The texts of these tariff modifications are enclosed.

Accordingly, I request that the Commission publish as a formal Commission publication those changes to the HTSUS that the President will proclaim to implement the CAFTA-DR with respect to the Dominican Republic. I understand that the Commission will make this publication available to the public and that the proclaimed tariff modifications will be posted to the Commission's website. In addition, the Federal Depository Libraries will receive this information. I request that the Commission publish this document and transmit copies of the publication to the Office of the U.S. Trade Representative as quickly as possible.

The Commission's willingness to use the most efficient, cost-effective means to inform the public of proclaimed tariff modifications greatly assists our efforts to put this important agreement into force.

Sincerely,



Susan C. Schwab

Enclosure

CHAIRMAN



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, D.C. 20436

The Honorable Susan C. Schwab
United States Trade Representative
600 Seventh Street, NW
Washington, DC 20508

Dear Ambassador Schwab:

Thank you for your letter of February 21, 2007, requesting that the Commission publish the text of the modifications to the Harmonized Tariff Schedule of the United States that the President will proclaim in connection with the entry into force with the Dominican Republic of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA).

We are publishing the text of these annexes as USITC Publication No. 3901 and will place the publication on the Commission's internet site as soon as possible. The Commission will make the document available to the public and to U.S. Government depository libraries, as you have requested.

If we may be of further assistance in this matter, please do not hesitate to contact us.

Sincerely,


Daniel R. Pearson