

Annex I

Explanatory Notes

1. The Schedule of a Party to this Annex sets out, pursuant to Article 14 (Non-Conforming Measures), a Party's existing measures that are not subject to some or all of the obligations imposed by:

- (a) Article 3 (National Treatment);
- (b) Article 4 (Most-Favored-Nation Treatment);
- (c) Article 8 (Performance Requirements); or
- (e) Article 9 (Senior Management and Boards of Directors).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the article(s) referred to in paragraph 1 that, pursuant to Article 14.1(a) (Non-Conforming Measures), do not apply to the non-conforming aspects of the law, regulation, or other measure, as set out in paragraph 3;
- (c) **Level of Government** indicates the level of government maintaining the scheduled measure(s);
- (d) **Measures** identifies the laws, regulations, or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Treaty, and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
- (e) **Description** provides a general, nonbinding description of the measure for which the entry is made.

3. In accordance with Article 14.1(a) (Non-Conforming Measures), and subject to Article 14.1(c) (Non-Conforming Measures), the articles of this Treaty specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming aspects of the law, regulation, or other measure identified in the **Measures** element of that entry.

Annex I
Schedule of Uruguay

Sector:	Fisheries
Obligations Concerned:	National Treatment (Article 3) Performance Requirements (Article 8) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	Law No. 13.833, <i>Riquezas del Mar</i> (Articles 4, 5, 8, 22, 23, and 24) Decree No. 149/997 (Article 56)
Description:	<p>Commercial fishing, including marine hunting activities, performed in internal waters and in the territorial sea within a distance of 12 miles, measured from the base lines, are reserved exclusively to licensed Uruguayan-flagged vessels. Such vessels must be commanded by captains, merchant marine officials, or fishing masters that are Uruguayan nationals, and at least 50 percent of the crew of such vessels must be Uruguayan nationals.</p> <p>Commercial foreign-flagged vessels are only allowed to fish and hunt between the 12-mile area referred to in the preceding paragraph and 200 miles, subject to authorization of the Executive branch, as recorded in the register maintained by the <i>Dirección Nacional de Recursos Acuáticos</i>.</p> <p>The processing and marketing of fish may be subject to a requirement that the fish be totally or partially processed in Uruguay.</p>

Sector:	Communications – Print Media
Obligations Concerned:	Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	Law No. 16.099, <i>Información y Comunicaciones</i> (Article 6)
Description:	Only an Uruguayan national may be the <i>redactor o gerente responsable</i> * (the responsible editor or manager) of a newspaper, magazine, or periodical published in Uruguay.

* *Redactor o gerente responsable* is the person liable under civil and criminal law for the content of a particular newspaper, magazine, or periodical.

Sector:	Communications – Radio and Television
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	Law No. 16.099, <i>Información y Comunicaciones</i> (Article 6) Decree No. 734/978 (Articles 8, 9, and 11)
Description:	<p>Free over-the-air television and AM/FM radio broadcasting services may only be supplied by Uruguayan nationals. All stockholders of or partners in broadcasting enterprises supplying such broadcasting services in Uruguay or established in Uruguay must be Uruguayan nationals domiciled in Uruguay.</p> <p>Senior management, members of the boards of directors, and the <i>redactor o gerente responsable</i>* (the responsible director or manager) of broadcasting enterprises must be Uruguayan nationals.</p> <p>The <i>redactor o gerente responsable</i>* of a subscriber (cable, satellite, MMDS) television enterprise must be an Uruguayan national.</p>

* *Redactor o gerente responsable* is the person liable under civil and criminal law for the content of a particular radio or television broadcast, in any form.

Sector:	Railway Transportation Services
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	<i>Sector Ferroviaria – Marco Jurídico Regulatorio</i> , Ministerial Decree – Official Gazette No. 26.398 of December 5, 2003 (Articles 27 and 28)
Description:	<p>In order to provide railway passenger and cargo transportation services, a railway operator must obtain a license (<i>Licencia de Operación Ferroviaria</i>) from the <i>Dirección Nacional de Transporte</i>, which issues a resolution granting the license. Among the requirements for obtaining the license are:</p> <ul style="list-style-type: none"> (a) at least 51 percent of the paid-in capital of the railway operator must be owned by Uruguayan nationals domiciled in Uruguay or by Uruguayan enterprises that meet the same requirement for paid-in capital; and (b) at least 51 percent of the railway operator’s board of directors or managing board must be composed of Uruguayan nationals domiciled in Uruguay. <p>Under the <i>Acuerdo sobre Transporte Internacional Terrestre</i> (ATIT) among the Southern Cone countries, access to international railway cargo transportation services is accorded, on the basis of reciprocity, to railway operators of Uruguay.</p>

Sector:	Road Transportation Services
Obligations Concerned:	National Treatment (Article 3) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	Decree No. 228/991 (Articles 1.1 and 5.1) Decree No. 230/997 (Article 5.1) <i>Acuerdo sobre Transporte Internacional Terrestre</i> (Article 22), as adopted in <i>Resolución del Ministerio de Transporte y Obras Públicas del 10 de Mayo de 1991</i> , and published in the Official Gazette of July 8, 1991
Description:	<p><u>Passenger Transportation</u> – The State reserves to itself the provision of public regular national and international passenger transportation services (both regularly scheduled and non-regularly scheduled), but grants concessions and permits to private enterprises. Only Uruguayan nationals or enterprises may be granted such concessions and permits. Uruguayan enterprises are those (i) managed, (ii) controlled, and (iii) in which more than 50 percent of the capital is owned by Uruguayan nationals domiciled in Uruguay.</p> <p><u>Domestic Cargo Transportation</u> – There are no restrictions on domestic (point-to-point) cargo road transportation services.</p> <p><u>International Passenger and Cargo Transportation</u> – Only enterprises with more than 50 percent of their share capital owned and effectively controlled by Uruguayan nationals may provide international cargo and passenger transportation.</p>

Sector:	Maritime Transportation Services and Ancillary Services
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	Law No. 12.091, <i>Navegación y Comercio de Cabotaje</i> (Articles 1, 2, 6, 9, 11, 12, and 13) Law No. 14.106, <i>Ley de Rendición de Cuentas y Balance de Ejecución Presupuestal</i> (Article 309) Law No. 16.387, <i>Ley de Abanderamiento</i> (Article 18), as amended by Law No. 16.736, <i>Ley de Rendición de Cuentas y Balance de Ejecución Presupuestal</i> (Article 321) Law No. 17.296, <i>Ley de Rendición de Cuentas y Balance de Ejecución Presupuestal</i> (Article 263) Decree-Law No. 14.650, <i>Ley de Fomento de Marina Mercante</i> (Chapters I, II, and V) Decree No. 31/994 (Article 2)
Description:	<p>Cabotage trade, which covers domestic vessel transportation services performed between the ports and coastal areas of Uruguay, including rescue operations, unloading of cargoes, towing, and other vessel operations performed by ships in waters within Uruguayan jurisdiction, shall be reserved to Uruguayan-flagged vessels. Such vessels are exempt from designated taxes, such as those on equipment, sales, and income of fleets.</p> <p>Waivers permitting foreign-flagged vessels to perform cabotage services may be granted by the Executive branch when Uruguayan-flagged vessels are not available.</p> <p>Vessels providing cabotage transportation services within Uruguay are subject to the following requirements:</p> <p>(a) if owned by natural persons, vessels must be owned by Uruguayan nationals domiciled in Uruguay; and</p>

- (b) if owned by an enterprise: (i) 51 percent of the owners of such enterprise must be Uruguayan nationals; (ii) 51 percent of the voting shares must be owned by Uruguayan nationals; and (iii) the enterprise must be controlled and managed by Uruguayan nationals.

Uruguayan-flagged vessels shall be qualified to perform cabotage transportation services if the owners of such vessels are Uruguayan nationals, and their crews (including the captain) are composed of at least 50 percent Uruguayan nationals.

Half of all cargo transportation of Uruguayan foreign trade (imports and exports) is reserved to Uruguayan-flagged vessels, however, waivers are granted to foreign-flagged vessels to carry the reserved portion of the foreign trade. Uruguay may impose restrictions on access to cargo transportation of Uruguayan foreign trade on the basis of reciprocity.

Uruguayan-flagged merchant vessels are entitled to designated tax exemptions, provided that such vessels fulfill the following requirements:

- (a) if owned by natural persons, vessels must be owned by Uruguayan nationals domiciled in Uruguay; and
- (b) if owned by an enterprise, vessels must be under the control and direction of Uruguayan nationals.

The crew of Uruguayan merchant vessels must meet the following requirements:

- (a) 50 percent of the crew (including the captain) of vessels operating under traffic authorized by the competent authority must be Uruguayan nationals; and
- (b) for vessels not operating under traffic authorized by the competent authority, their Captain, Chief Engineer, and the Radio Operator or the Chief Officer must be Uruguayan nationals.

Sector:	Air Services
Obligations Concerned:	National Treatment (Article 3) Performance Requirements (Article 8) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	Decree-Law No. 14.305, <i>Código Aeronáutico</i> (Article 113) Decree No. 325/974 (Articles 32 and 33) Decree No. 158/978 (Articles 1 and 2) Decree No. 39/977 (Article 35) <i>Reglamentos Aeronáuticos Uruguayos</i> , Nos. 61, 63, and 65
Description:	<p>Only an <i>empresa nacional de transporte aéreo</i> (national air transportation enterprise) may operate aircraft in domestic air transportation service (cabotage) and may provide international scheduled and non-scheduled air transportation services as an Uruguayan air carrier. Only an <i>empresa nacional de servicios de trabajo aéreo</i> (national air works enterprise) may operate aircraft in domestic non-transportation air services.</p> <p>In order to be an <i>empresa nacional de transporte aéreo</i> or an <i>empresa nacional de servicios de trabajo aéreo</i> an enterprise must be 51 percent owned by Uruguayan nationals domiciled in Uruguay.</p> <p>All crew and other personnel, including management of an <i>empresa nacional de transporte aéreo</i> or an <i>empresa nacional de servicios de trabajo aéreo</i>, must be Uruguayan nationals, unless otherwise authorized by the <i>Dirección Nacional de Aviación Civil e Infraestructura Aeronáutica</i>.</p>

Annex I
Schedule of the United States

Sector:	Atomic Energy
Obligations Concerned:	National Treatment (Article 3)
Level of Government:	Central
Measures:	<i>Atomic Energy Act of 1954</i> , 42 U.S.C. §§ 2011 <u>et seq.</u>
Description:	<p>A license issued by the United States Nuclear Regulatory Commission is required for any person in the United States to transfer or receive in interstate commerce, manufacture, produce, transfer, use, import, or export any nuclear “utilization or production facilities” for commercial or industrial purposes. Such a license may not be issued to any entity known or believed to be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government (42 U.S.C. § 2133(d)). A license issued by the United States Nuclear Regulatory Commission is also required for nuclear “utilization and production facilities,” for use in medical therapy, or for research and development activities. The issuance of such a license to any entity known or believed to be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government is also prohibited (42 U.S.C. § 2134(d)).</p>

Sector:	Mining
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4)
Level of Government:	Central
Measures:	<i>Mineral Lands Leasing Act of 1920</i> , 30 U.S.C. Chapter 3A 10 U.S.C. § 7435
Description:	<p>Under the Mineral Lands Leasing Act of 1920, aliens and foreign corporations may not acquire rights-of-way for oil or gas pipelines, or pipelines carrying products refined from oil and gas, across on-shore federal lands or acquire leases or interests in certain minerals on on-shore federal lands, such as coal or oil. Non-U.S. citizens may own a 100 percent interest in a domestic corporation that acquires a right-of-way for oil or gas pipelines across on-shore federal lands, or that acquires a lease to develop mineral resources on on-shore federal lands, unless the foreign investor's home country denies similar or like privileges for the mineral or access in question to U.S. citizens or corporations, as compared with the privileges it accords to its own citizens or corporations or to the citizens or corporations of other countries (30 U.S.C. §§ 181, 185(a)).</p> <p>Nationalization is not considered to be denial of similar or like privileges.</p> <p>Foreign citizens, or corporations controlled by them, are restricted from obtaining access to federal leases on Naval Petroleum Reserves if the laws, customs, or regulations of their country deny the privilege of leasing public lands to citizens or corporations of the United States (10 U.S.C. § 7435).</p>

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4)
Level of Government:	Central
Measures:	22 U.S.C. §§ 2194 and 2198(c)
Description:	The Overseas Private Investment Corporation insurance and loan guarantees are not available to certain aliens, foreign enterprises, or foreign-controlled domestic enterprises.

Sector:	Air Transportation
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	49 U.S.C. Subtitle VII, <i>Aviation Programs</i> 14 C.F.R. Part 297 (foreign freight forwarders); 14 C.F.R. Part 380, Subpart E (registration of foreign (passenger) charter operators)
Description:	<p>Only air carriers that are “citizens of the United States” may operate aircraft in domestic air service (cabotage) and may provide international scheduled and non-scheduled air service as U.S. air carriers.</p> <p>U.S. citizens also have blanket authority to engage in indirect air transportation activities (air freight forwarding and passenger charter activities other than as actual operators of the aircraft). In order to conduct such activities, non-U.S. citizens must obtain authority from the Department of Transportation. Applications for such authority may be rejected for reasons relating to the failure of effective reciprocity, or if the Department of Transportation finds that it is in the public interest to do so.</p> <p>Under 49 U.S.C. § 40102(a)(15), a citizen of the United States means an individual who is a U.S. citizen; a partnership in which each member is a U.S. citizen; or a U.S. corporation of which the president and at least two-thirds of the board of directors and other managing officers are U.S. citizens, which is under the actual control of U.S. citizens, and in which at least seventy-five percent of the voting interest in the corporation is owned or controlled by U.S. citizens.</p>

Sector:	Air Transportation
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4) Senior Management and Boards of Directors (Article 9)
Level of Government:	Central
Measures:	49 U.S.C., Subtitle VII, <i>Aviation Programs</i> 49 U.S.C. § 41703 14 C.F.R. Part 375
Description:	<p>“Foreign civil aircraft” require authority from the Department of Transportation to conduct specialty air services in the territory of the United States. In determining whether to grant a particular application, the Department will consider, among other factors, the extent to which the country of the applicant’s nationality accords U.S. civil aircraft operators effective reciprocity.</p> <p>“Foreign civil aircraft” are aircraft of foreign registry or aircraft of U.S. registry that are owned, controlled, or operated by persons who are not citizens or permanent residents of the United States (14 C.F.R. § 375.1). Under 49 U.S.C. § 40102(a)(15), a citizen of the United States means an individual who is a U.S. citizen; a partnership in which each member is a U.S. citizen; or a U.S. corporation of which the president and at least two-thirds of the board of directors and other managing officers are U.S. citizens, which is under the actual control of U.S. citizens, and in which at least seventy-five percent of the voting interest in the corporation is owned or controlled by U.S. citizens.</p>

Sector:	Transportation Services – Customs Brokers
Obligations Concerned:	National Treatment (Article 3)
Level of Government:	Central
Measures:	19 U.S.C. § 1641(b)
Description:	A customs broker’s license is required to conduct customs business on behalf of another person. Only U.S. citizens may obtain such a license. A corporation, association, or partnership established under the law of any state may receive a customs broker’s license if at least one officer of the corporation or association, or one member of the partnership, holds a valid customs broker’s license.

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4)
Level of Government:	Central
Measures:	<i>Securities Act of 1933</i> , 15 U.S.C. §§ 77C(b), 77f, 77g, 77h, 77j, and 77s(a) 17 C.F.R. §§ 230.251 and 230.405 <i>Securities Exchange Act of 1934</i> , 15 U.S.C. §§ 78l, 78m, 78o(d), and 78w(a) 17 C.F.R. § 240.12b-2
Description:	Foreign firms, except for certain Canadian issuers, may not use the small business registration forms under the Securities Act of 1933 to register public offerings of securities or the small business registration forms under the Securities Exchange Act of 1934 to register a class of securities or file annual reports.

Sector: Communications – Radiocommunications

Obligations Concerned: National Treatment (Article 3)

Level of Government: Central

Measures: 47 U.S.C. § 310
Foreign Participation Order 12 FCC Rcd 23891 (1997)

Description: The United States reserves the right to restrict ownership of radio licenses in accordance with the above statutory and regulatory provisions. Radiocommunications consists of all communications by radio, including broadcasting.

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 3) Most-Favored-Nation Treatment (Article 4) Performance Requirements (Article 8) Senior Management and Boards of Directors (Article 9)
Level of Government:	Regional
Measures:	All existing non-conforming measures of all states of the United States, the District of Columbia, and Puerto Rico