

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/410

12 April 1979

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4, Paragraph 4

Bilateral Agreement Between the United States and Colombia

The Textiles Surveillance Body has received from the United States a notification of a new cotton, wool and man-made fibre agreement concluded between the United States and Colombia for the period 1 July 1978 to 30 June 1982. The new agreement, which has been notified by the United States under Article 4, paragraph 4, of the Arrangement succeeds the previous textiles agreement between the two countries.^{1/}

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{2/}, has examined the relevant documentation and is circulating the text of the notification to participating countries for their information.

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^{1/} For original agreement and amendments see COM.TEX/SB/127 and 339.

^{2/} See COM.TEX/SB/35, Annex B.

UNITED STATES AND COLOMBIA
SIGN TEXTILE AGREEMENT

The United States and the Republic of Colombia exchanged notes on August 3, 1978 to effect a new bilateral textile agreement on trade in cotton, wool, and man-made fiber textiles. The texts of the notes follow:

UNITED STATES NOTE

No. 685

Bogota, August 3, 1978

His Excellency
Doctor Indalecio Lievano Aguirre
Minister of Foreign Relations
Bogota

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on December 20, 1973, and extended by Protocol adopted on December 14, 1977 at Geneva (hereinafter referred to as the Arrangement). I have also the honor to refer to discussions between representatives of the Government of the United States of America and the Government of the Republic of Colombia, held in Bogota from May 8, to May 13, 1978, concerning exports of cotton, wool, and man-made fiber textiles and textile products from the Republic of Colombia to the United States of America. As a result of those discussions and in conformity with Articles 4 and 6 of the Arrangement, I have the honor to propose the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the Republic of Colombia and the United States of America.

For further information contact:

EB/TEX (202) 632-2062 Ann Berry

1. The term of this Agreement shall be from July 1, 1978, through June 30, 1982. During such term, the Government of the Republic of Colombia will limit exports of cotton, wool and man-made fiber textiles and textile products to the United States during each agreement year to the limits and consultation levels specified in the following paragraphs.

2. Textiles and textile products covered by this Agreement shall be classified in three groups, as follows:

| <u>Group</u> | <u>Definition</u> |
|--------------|--|
| I | Yarns of cotton, wool and man-made fibers (Categories 300, 301, 400, 600-605). |
| II | Fabric and made-up and miscellaneous non-apparel products of cotton, wool and man-made fibers (Categories 310-320, 360-369, 410-429, 464-469, 610-627, 665-669). |
| III | Apparel of cotton, wool and man-made fibers (Categories 330-359, 431-459, 630-659). |

The determination of whether a textile or textile product is of cotton, wool, or man-made fiber shall be made in accordance with the terms of paragraph 8. The Categories referred to in the above definitions of Groups are those summarized in Annex A.

3. Each "Agreement Year" shall begin July 1 and end on June 30, with the first agreement year commencing on July 1, 1978 and ending on June 30, 1979. "Limit" or "Limits" means, as the context requires, a Group Limit or Specific Limit, or any combination thereof. "Flexibility" means the amount by which a Specific Limit may be exceeded pursuant to paragraph 6.

4. The Group Limit applicable to Group III for the first agreement year is 37 million square yards equivalent. For the second and each succeeding agreement year, the Group Limit applicable to Group III shall be increased by seven percent (7%) annually. The limits referred to in this paragraph are without adjustments under any other provision of this Agreement.

5. Within applicable Group Limits, the following specific Limits shall apply for the first agreement year:

| <u>Category</u> | <u>Limit</u> |
|--|------------------------------|
| | (In Square Yards Equivalent) |
| 313 (Sheeting) | 8,500,000 |
| 443 (Suits, men's & boys) | 609,750 |
| 633 (Suit type coats, men's & boys) | 2,400,000 |
| 641 (Blouses) | 1,800,000 |

For the second and each succeeding agreement year, and within applicable Group Limits, each Specific Limit shall be increased by seven percent (7%) annually except Specific Limits for wool categories, which shall be increased by one percent (1%) annually. The limits referred to in this paragraph are without adjustment under any other provision of this Agreement.

6. During any agreement year, and within applicable Group Limits for such agreement year as they may be adjusted pursuant to paragraph 7, any Specific Limit may be exceeded by not more than:

- A. Ten percent (10%) for cotton and man-made fiber products in Groups I and II.
- B. Seven percent (7%) for cotton and man-made fiber apparel in Group III; and
- C. Five percent (5%) for all wool products.

Adjustments made pursuant to this paragraph are in addition to those made pursuant to paragraph 7.

7. (A) In any agreement year, in addition to any adjustment pursuant to paragraph 6 in the case of a Specific Limit, exports may exceed by a maximum of eleven percent (11%) (six percent (6%) during the first agreement year) any Group or Specific Limit by allocating to such limit for that agreement year an unused portion of the corresponding limit for the previous agreement year (Carryover) or a portion of the corresponding limit for the succeeding agreement year (carry forward) subject to the following conditions:

(I) Carryover may be utilized as available up to eleven percent (11%) of the receiving agreement year's applicable limits, provided, however, that no carryover

shall be available for application during the first agreement year.

(II) Except in the first agreement year, to which carryover does not apply, the combination of carryover and carry forward may not exceed eleven percent (11%) of the receiving agreement year's applicable limit.

(III) Carry forward may be utilized up to six percent (6%) of the receiving agreement year's applicable limit and charged against the immediately following agreement year's corresponding limit.

(IV) Carryover of shortfall (as defined in subparagraph 7 (B) shall not be applied to any Group or Specific Limits until the Governments of the Republic of Colombia and the United States of America have completed consultations upon the amounts involved. If substantial statistical differences exist between the import and export data from which shortfall for a given agreement year is computed, the parties shall consult as soon as possible and in any case within the first six months of the succeeding agreement year.

(B) For purposes of this Agreement, a shortfall occurs when exports of textiles and textile products of Colombian origin to the United States during an agreement year are below any applicable Group and Specific Limit for that agreement year. In the agreement year following the shortfall, such exports from Colombia to the United States may be permitted to exceed the Group and Specific Limits subject to conditions of subparagraph (A) of this paragraph by carryover of shortfall in the following manner:

(I) The carryover shall not exceed the amount of shortfall in either the applicable Group or Specific Limit.

(II) In the case of shortfall in a Category (or a combination of Categories) subject to a Specific Limit, the shortfall shall be used in the same Category (or combination of Categories) in which the shortfall occurred, and

(III) In the case of shortfalls not attributable to Categories (or combination of Categories) subject to Specific Limits, the carryover shall be used in the same group in which the shortfall occurred.

(C) The limits referred to in subparagraph (A) and (B) of this paragraph are without any adjustment under this paragraph or paragraph 6.

(D) The total adjustment under this paragraph shall be in addition to the adjustment to the limits permitted by paragraph 6.

8. (A) In implementing this Agreement, the system of Categories and the rates of conversion into square yards equivalent listed in the Annex A hereto shall apply.

(B) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, man-made fibers, or blends thereof, in which any or all of those fibers in combination represent either the chief value of the fibers or fifty percent (50%) or more by weight (or seventeen percent (17%) or more by weight of wool) of the product, are subject to the terms of this Agreement.

(C) For purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of either of these fibers. Any products covered in subparagraph (B) of this paragraph but not in chief value of cotton, wool or man-made fiber shall be classified as:

(I) Cotton textiles if containing fifty percent (50%) or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component.

(II) Wool textiles if not cotton, and the wool equals or exceeds seventeen percent (17%) by weight of all component fibers.

(III) Man-made fiber textiles if neither of the foregoing applies.

9. Categories not subject to Specific Limits are subject to consultation levels and, in Group III, to the Specified Group Limit. In the event the Government of the Republic of Colombia wishes to permit exports to the United States in any Category in excess of the applicable consultation level during any agreement year, the Government of the Republic of Colombia shall request consultation with the Government of the United States of America and the Government of the United States of America

shall enter into such consultations. . Until agreement on a different level of exports is reached, the Government of the Republic of Colombia shall limit exports to the United States in the Category in question to the applicable consultation level. Except as specified in Annex B, the annual consultation level for each Category not subject to a Specific Limit shall be one million (1,000,000) square yards equivalent for Categories 300-320, 360-369, 600-627, 665-669; seven hundred thousand (700,000) square yards equivalent for Categories 330-359 and 630-659; and one hundred thousand (100,000) square yards equivalent for Categories 400-469.

10. The Governments of the Republic of Colombia and the United States of America will study carefully the trade of the knit and woven products that make up Category 633, and they commit themselves, in the event that one of the two countries considers that the evolution of this trade is inconvenient, to carry out consultations in which they will make every effort to reach a mutually agreeable solution.

11. The Government of the Republic of Colombia shall use its best efforts to space exports from the Republic of Colombia to the United States of America within each Category evenly throughout the agreement year, taking into consideration normal seasonal factors. Exports from Colombia in excess of authorized limits for each agreement year will, if allowed entry into the United States pursuant to this Agreement be charged to the applicable limits or levels for the succeeding agreement year.

12. The two Governments recognize that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of the Republic of Colombia with data on monthly imports of cotton, wool, and man-made fiber textiles from the Republic of Colombia. The Government of the Republic of Colombia shall promptly supply the Government of the United States of America with data on monthly exports of products covered by this Agreement to the United States. Each government agrees to supply promptly any other available relevant statistical data requested by the other government.

13. In conformity with Article 12, Paragraph (3) of the Arrangement, and subject to certification under the system established by exchange of letters dated May 25, 1976, between the two governments or pursuant to arrangements established under paragraph 16, Colombian exports of handloom fabrics of the cottage industry, or handmade cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products shall not be subject to the provisions of this Agreement.

14. The Government of the Republic of Colombia and the Government of the United States of America agree to consult on any question arising in the implementation of this Agreement. If the two governments are unable to reach a mutually satisfactory solution within a reasonable period of time to problems which have been the subject of consultations under this Agreement, either government may, after notification to the other government, refer such problems to the Textiles Surveillance Body in accordance with Article 11 of the Arrangement.

15. Shipments of textiles and apparel from the Republic of Colombia to the United States of America individually valued at less than 250 dollars and so certified, shall not be charged to the limits or consultation levels set out in this Agreement.

16. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

17. If the Government of the Republic of Colombia considers that, as a result of limitations specified in this Agreement, it is being placed in an inequitable position vis-a-vis a third country, the Government of the Republic of Colombia may request consultations with the Government of the United States of America with a view to taking remedial action such as a reasonable modification of this Agreement. These consultations will begin within thirty (30) days from the date of request, unless mutually agreed otherwise.

18. During the term of this Agreement, the Government of the United States of America will not request restraint on the export of cotton, wool and man-made fiber textiles from Colombia to the United States under Article 3 of the Arrangement. The applicability of the Arrangement to trade in textiles between Colombia and the United States shall be otherwise unaffected by this Agreement.

19. For the first agreement year, each government shall maintain statistical records on imports or exports, as appropriate, of cotton suits, the component parts of which have been charged to two or more of the following Categories: 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Republic of Colombia prior to the end of the first agreement year whether it wishes to establish separate Categories for cotton suits. If the Government of the United States of America so indicates, the Government of the Republic of Colombia agrees to concur and cooperate in such establishment. The establishment of such Categories would neither decrease nor increase the total access to the United States market available to Colombia in Categories 333, 334, 335, 342, 347, 348 and the new cotton suit Categories, without the two governments agreeing to such changes.

20. Both governments shall take appropriate measures of export and import control to implement the limitation provisions of this Agreement. The nature of these measures may be a matter of discussions between the two governments.

21. Either government may terminate this Agreement effective at the end of any agreement year by written notice to the other government to be given at least ninety (90) days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this Agreement.

If the foregoing proposal is acceptable to the Government of Colombia, this Note and your Excellency's Note of confirmation on behalf of the Government of Colombia shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

/S/ Diego C. Asencio

Ambassador of the United States

ANNEX A

| <u>Category</u> | <u>Description</u> | <u>Conversion Factor</u> | <u>Unit of Measure</u> |
|-------------------|------------------------------|------------------------------|----------------------------|
| <u>YARN</u> | | | |
| -- Cotton | | | |
| 300 | Carded | 4.6 | Lb. |
| 301 | Combed | 4.6 | Lb. |
| -- Wool | | | |
| 400 | Tops and yarn | 2.0 | Lb. |
| -- Man-made fiber | | | |
| 600 | Textured | 3.5 | Lb. |
| 601 | Cont. cellulosic | 5.2 | Lb. |
| 602 | Cont. noncellulosic | 11.6 | Lb. |
| 603 | Spun cellulosic | 3.4 | Lb. |
| 604 | Spun noncellulosic | 4.1 | Lb. |
| 605 | Other yarns | 3.5 | Lb. |
| <u>FABRIC</u> | | | |
| -- Cotton | | | |
| 310 | Ginghams | 1.0 | SYD |
| 311 | Velveteens | 1.0 | SYD |
| 312 | Corduroy | 1.0 | SYD |
| 313 | Sheeting | 1.0 | SYD |
| 314 | Broadcloth | 1.0 | SYD |
| 315 | Printcloths | 1.0 | SYD |
| 316 | Shirtings | 1.0 | SYD |
| 317 | Twills and Sateens | 1.0 | SYD |
| 318 | Yarn-dyed | 1.0 | SYD |
| 319 | Duck | 1.0 | SYD |
| 320 | Other fabrics, n.k. | 1.0 | SYD |
| -- Wool | | | |
| 410 | Woolens and worsted | 1.0 | SYD |
| 411 | Tapestries and upholstery | 1.0 | SYD |
| 425 | Knit | 2.0 | Lb. |
| 429 | Other Fabrics | 1.0 | SYD |
| -- Man-made fiber | | | |
| 610 | Cont. cellulosic, n.k. | 1.0 | SYD |

| | | | |
|-----|---------------------------|-----|-----|
| 611 | Spun cellulosic, n.k. | 1.0 | SYD |
| 612 | Cont. noncellulosic, n.k. | 1.0 | SYD |
| 613 | Spun noncellulosic, n.k. | 1.0 | SYD |
| 614 | Other fabrics, n.k. | 1.0 | SYD |
| 625 | Knit | 7.8 | Lb. |
| 626 | Pile and tufted | 1.0 | SYD |
| 627 | Specialty | 7.8 | Lb. |

APPAREL

-- Cotton

| | | | |
|-----|--|------|-----|
| 330 | Handkerchiefs | 1.7 | Dz. |
| 331 | Gloves | 3.5 | DPR |
| 332 | Hosiery | 4.6 | DPR |
| 333 | Suit-type coats, M and B | 36.2 | Dz. |
| 334 | Other coats, M and B | 41.3 | Dz. |
| 335 | Coats, W, G and I | 41.3 | Dz. |
| 336 | Dresses (inc. uniforms) | 45.3 | Dz. |
| 337 | Playsuits, sunsuits, washsuits, creepers | 25.0 | Dz. |
| 338 | Knit shirts, (inc. T-shirts, other and sweatshirts) M and B | 7.2 | Dz. |
| 339 | Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I | 7.2 | Dz. |
| 340 | Shirts, n.k. | 24.0 | Dz. |
| 341 | Blouses, n.k. | 14.5 | Dz. |
| 342 | Skirts | 17.8 | Dz. |
| 345 | Sweaters | 36.8 | Dz. |
| 347 | Trousers, slacks, and shorts (outer) M and B | 17.8 | Dz. |
| 348 | Trousers, slacks and shorts (outer) W, G and I | 17.8 | Dz. |
| 349 | Brassieres, etc. | 4.8 | Dz. |
| 350 | Dressing gowns, inc. bathrobes, and beach robes, lounging gowns house coats, and dusters | 51.0 | Dz. |
| 351 | Pajamas and other nightwear | 52.0 | Dz. |
| 352 | Underwear (inc. union suits) | 11.0 | Dz. |
| 359 | Other apparel | 4.6 | Lb. |

-- Wool

| | | | |
|-----|--|-------|-----|
| 431 | Gloves | 2.1 | DPR |
| 432 | Hosiery | 2.8 | DPR |
| 433 | Suit-type coats, M and B | 3.0 | No. |
| 434 | Other coats, M and B | 4.5 | No. |
| 435 | Coats, W, G and I | 4.5 | No. |
| 436 | Dresses | 4.1 | No. |
| 438 | Knit shirts and blouses | 15.0 | Dz. |
| 440 | Shirts and blouses, n.k. | 24.0 | Dz. |
| 442 | Skirts | 1.5 | No. |
| 443 | Suits, M and B | 4.5 | No. |
| 444 | Suits, W, G and I | 4.5 | No. |
| 445 | Sweaters, M and B | 14.88 | Dz. |
| 446 | Sweaters, W, G and I | 14.88 | Dz. |
| 447 | Trousers, slacks, and shorts (outer) M and B | 1.5 | No. |
| 448 | Trousers, slacks and shorts (outer) W, G and I | 1.5 | No. |
| 459 | Other wool apparel | 2.0 | Lb. |

-- Man-made fiber

| | | | |
|-----|---|------|-----|
| 630 | Handkerchiefs | 1.7 | Dz. |
| 631 | Gloves | 3.5 | DPR |
| 632 | Hosiery | 4.6 | DPR |
| 633 | Suit-type coats, M and B | 36.2 | Dz. |
| 634 | Other coats, M and B | 41.3 | Dz. |
| 635 | Coats, W, G and I | 41.3 | Dz. |
| 636 | Dresses | 45.3 | Dz. |
| 637 | Playsuits, sunsuits, washesuits, etc. | 21.3 | Dz. |
| 638 | Knit shirts, (inc. T- shirts), M and B | 18.0 | Dz. |
| 639 | Knit shirts and blouses (inc. T-shirts), W, G and I | 15.0 | Dz. |
| 640 | Shirts, n.k. | 24.0 | Dz. |
| 641 | Blouses, n.k. | 14.5 | Dz. |
| 642 | Skirts | 17.8 | Dz. |
| 643 | Suits, M and B | 4.5 | No. |
| 644 | Suits, W, G and I | 4.5 | No. |
| 645 | Sweaters, M and B | 36.8 | Dz. |
| 646 | Sweaters W, G and I | 36.8 | Dz. |
| 647 | Trousers, slacks, and shorts (outer), M and B | 17.8 | Dz. |

| | | | |
|-----|---|------|-----|
| 648 | Trousers, slacks and shorts (outer), W, G and I | 17.8 | Dz. |
| 649 | Brassieres, Etc. | 4.8 | Dz. |
| 650 | Dressing gowns, inc. bath and beach robes | 51.0 | Dz. |
| 651 | Pajamas and other nightwear | 52.0 | Dz. |
| 652 | Underwear | 16.0 | Dz. |
| 659 | Other apparel | 7.8 | Lb. |

-- Cotton

| | | | |
|-----|-----------------------------|-----|-----|
| 360 | Pillowcases | 1.1 | No. |
| 361 | Sheets | 6.2 | No. |
| 362 | Bedspreads and quilts | 6.9 | No. |
| 363 | Terry and other pile towels | 0.5 | No. |
| 369 | Other cotton manufactures | 4.6 | Lb. |

-- Wool

| | | | |
|-----|-------------------------|-----|-----|
| 464 | Blankets and auto robes | 1.3 | Lb. |
| 465 | Floor covering | 0.1 | SFT |
| 469 | Other wool manufactures | 2.0 | Lb. |

-- Man-made fiber

| | | | |
|-----|-----------------------------|-----|-----|
| 665 | Floor coverings | 0.1 | SFT |
| 666 | Other furnishings | 7.8 | Lb. |
| 669 | Other man-made manufactures | 7.8 | Lb. |

ANNEX B

ANNUAL DESIGNATED CONSULTATION LEVELS IN EXCESS OF THOSE
STATED IN PARAGRAPH 9 OF THE AGREEMENT

| | <u>ANNUAL CONSULTATION</u> <u>LEVEL</u> (<u>SQUARE YARDS EQUIVALENT</u>) |
|---|--|
| 300/301 (Cotton yarn) | 23,000,000 |
| 310 (Gingham) | 3,200,000 |
| 312 (Corduroy) | 1,500,000 |
| 314 (Broadcloth) | 2,600,000 |
| 315 (Printcloth) | 3,000,000 |
| 317 (Twills & Sateen) | 13,500,000 |
| 320 (Other fabric) | 7,000,000 |
| 410 (Woolens & Worsted) | 400,000 |
| 614 (Other fabric) | 1,600,000 |
| 347 (Trousers, Men's & boys) | 1,600,000 |
| 348 (Trousers, women's, girls & infants) | 1,600,000 |
| 336 (Dresses) | 1,600,000 |
| 433 (Suit type coats, men's & boys) | 245,820 |
| 435 (Coats, women's, girls & infants) | 300,000 |
| 447 (Trousers, men's & boys) | 300,000 |
| 459 (Other wool apparel) | 150,000 |
| 634 (Other coats, men's & boys) | 2,000,000 |
| 635 (Coats, women's girls & infants) | 1,900,000 |
| 636 (Dresses) | 1,600,000 |
| 639 (Knit shirts & blouses, women's girls & infants) | 3,000,000 |
| 644 (Suits, women's girls & infants) | 1,500,000 |
| 652 (Underwear) | 1,600,000 |