

RESTRICTED

COM.TEX/SB/472

2 November 1979

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# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Textiles Surveillance Body

Original: English

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4, paragraph 4

#### Bilateral Agreement between the United States and the Dominican Republic

The Textiles Surveillance Body has received from the United States a notification of a new textiles agreement concluded between the United States and the Dominican Republic for the period 1 June 1979 to 31 May 1983. The new agreement, which has been notified by the United States under Article 4, paragraph 4, of the Arrangement, supersedes the previous restraint action taken under Article 3.<sup>1/</sup>

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4<sup>2/</sup>, has examined the relevant documentation and is circulating the text of the notification to the participating countries.

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<sup>1/</sup> See COM.TEX/SB/431, para 8 to 10.

<sup>2/</sup> See COM.TEX/SB/35, Annex B.

August 7, 1979

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 recent discussions between representatives of the Government of the United States of America and the Government of the Dominican Republic, concerning exports to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in the Dominican Republic. As a result of these discussions, and in conformity with Article 4 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the United States of America and the Dominican Republic.

His Excellency

Francisco Augusto Lora,

Ambassador of the Dominican Republic.

1. The term of this Agreement will be the four-year period from June 1, 1979 through May 31, 1983. Each "Agreement Year" will commence on June 1 and end on May 31.

2. Commencing with the first Agreement Year, and during the subsequent term of this Agreement, the Government of the Dominican Republic shall limit annual exports from the Dominican Republic to the United States of America of cotton, wool, and man-made fiber textiles and textile products to the Specific Limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 3 and 4. Annual growth of 7 percent in Specific Limits is already included in all the Specific Limits listed in Annex B. In the case of Category 649, the Specific Limits were calculated by averaging the four-year total, starting with a first year base level of 1,350,000 dozen.

3. Any Specific Limit may be exceeded in any Agreement Year by not more than 7 percent of its square yards equivalent (SYE) total provided that the amount of the increase is compensated for by an equivalent decrease in one or more Specific Limits for the Agreement Year. Before using this provision, the Government of the Dominican Republic will indicate the Category or Categories to be increased and the Category or Categories to be decreased by commensurate quantities.

4. (a) In any Agreement Year, in addition to any adjustment pursuant to paragraph 3, exports may exceed by a maximum of 11 percent any 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 11 percent of the receiving Agreement Year's Specific Limits, provided, however, that no Carryover shall be available for application during the first Agreement Year;

(ii) The combination of Carryover and Carry Forward shall not exceed 11 percent of the receiving Agreement Year's applicable Specific Limit in any Agreement Year;

(iii) Carry Forward may be utilized up to 7.15 percent of the receiving Agreement Year's applicable Specific Limits and shall be charged against the immediately following Agreement Year's corresponding Limits; no Carry Forward shall be available for application during the Fourth Agreement Year.

(iv) Carryover of Shortfall (as defined in Subparagraph 4 (b)) shall not be applied to any Specific

Limits until the Governments of the United States of America and the Dominican Republic have consulted and resolved any differences related to the amounts involved.

(b) For purposes of this Agreement, a Shortfall occurs when exports of textiles or textile products of the Dominican Republic to the United States of America during an Agreement Year are below any applicable Specific Limit. In the Agreement Year following the Shortfall, such exports from the Dominican Republic to the United States of America may be permitted to exceed the Specific Limits subject to conditions of Subparagraph 4 (a), by Carryover of Shortfalls in the following manner:

(i) The Carryover shall not exceed the amount of Shortfall in any applicable Specific Limit;

(ii) The Shortfall shall be used in the Category in which the Shortfall occurred.

(c) The Limits referred to in Subparagraph 4 (a) and (b) are the Specific Limits as listed in Annex B.

(d) The total adjustment under this paragraph shall be in addition to adjustments to the Specific Limits permitted by paragraph 3.

(e) The total adjustment permissible under this paragraph for the first Agreement Year shall be 7.15 percent consisting solely of Carry Forward.

5. (a) In the event that the Government of the United States of America believes that imports from the Dominican Republic, classified in any Category or Categories not covered by Specific Limits are, due to market disruption as defined in Annex A of the Arrangement, threatening to impede the orderly development of trade between the two countries, the Government of the United States of America may request consultations with the Government of the Dominican Republic with a view to avoiding such market disruption. The Government of the United States of America shall provide the Government of the Dominican Republic at the time of the request with the data which in the view of the Government of the United States of America show 1) the existence of market disruption and 2) the causal role of exports from the Dominican Republic in that disruption.

(b) The Government of the Dominican Republic agrees to consult with the Government of the United States of America within 30 days of receipt of the request for consultations. Both Governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of the request unless this period is extended by mutual agreement.

(c) Should such consultations not result in an Agreement, each country shall be free to exercise its rights under the Arrangement.

6. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports of products of the Dominican Republic of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products will not be subject to the provisions of this Agreement.

7. The Government of the Dominican Republic shall use its best efforts to space exports from the Dominican Republic to the United States of America within each Category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

8. The Government of the United States of America shall promptly supply the Government of the Dominican Republic with data on monthly imports of textiles from the Dominican Republic and the Government of the Dominican Republic shall promptly supply the Government of the United States of America with monthly data on exports of textiles to the United States of America. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

9. (a) In implementing this Agreement the system of Categories and rate 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 (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 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are included.

(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 any of these fibers. All other products described in Sub-paragraph (b) of this paragraph shall be classified as:

(i) Cotton textiles if containing 50 percent 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 17 percent by weight of all component fibers.

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



10. The Government of the United States of America and the Government of the Dominican Republic agree to consult on any question arising in the implementation of the Agreement. If the two Governments are unable to reach a mutually satisfactory resolution within a reasonable period of time on 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 Textile Surveillance Body in accordance with Article 11 of the Arrangement.

11. 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.

12. If the Government of the Dominican Republic considers that, as a result of a limitation specified in this Agreement, the Dominican Republic is being placed in an inequitable position vis-a-vis a third country, the Government of the Dominican Republic may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

13. The Government of the United States of America may, after advising the Government of the Dominican Republic in a timely manner, assist in implementing the limitation provisions of this Agreement by controlling imports of the specific Categories covered by this Agreement.

14. Either Government may terminate this Agreement effective at the end of any Agreement Year by written notice to the other Government to be given a least 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 conforms with the understanding of the Government of the Dominican Republic this note and Your Excellency's note of confirmation on behalf of the Government of the Dominican Republic shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

E.A.

ANNEX B

SPECIFIC LIMITS

<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>1st Agreement</u> <u>Year</u>	<u>2nd Agreement</u> <u>Year</u>	<u>3rd Agreement</u> <u>Year</u>	<u>4th Agreement</u> <u>Year</u>
340	Cotton shirts, not knit	122,000 doz. 2,928,000 SYE	130,540 doz. 3,132,960 SYE	139,678 doz. 3,352,272 SYE	149,455 doz. 3,586,920 SYE
351	Cotton nightwear	163,462 doz. 8,500,000 SYE	174,904 doz. 9,095,008 SYE	187,147 doz. 9,731,644 SYE	200,247 doz. 10,412,844 SYE
639	Man-made fiber shirts and blouses, women's, girls' and infants'	275,000 doz. 4,125,000 SYE	294,250 doz. 4,413,750 SYE	314,848 doz. 4,722,720 SYE	336,687 doz. 5,053,305 SYE
649	Man-made fiber brassieres	1,500,000 doz. 7,200,000 SYE	1,500,000 doz. 7,200,000 SYE	1,500,000 doz. 7,200,000 SYE	1,500,000 doz. 7,200,000 SYE

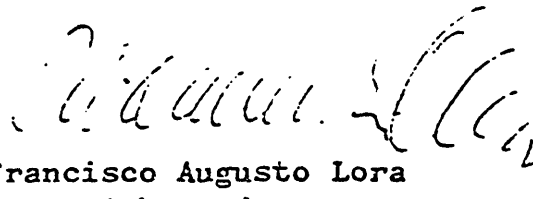
August 8, 1979

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note dated August 7, 1979, proposing an Agreement relating to trade in cotton, wool and man-made fiber textiles between the Dominican Republic and the United States of America.

On behalf of the Government of the Dominican Republic, I should like to confirm that the terms expressed in Your Excellency's note conform with the understandings reached during the discussions to which Your Excellency refers and are acceptable to my Government. Therefore, Your Excellency's note and this note of confirmation shall constitute an Agreement between our two Governments on this matter.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

  
Francisco Augusto Lora  
Ambassador

His Excellency  
Cyrus P. Vance  
Secretary of State  
Washington, D.C.