

RESTRICTED

COM.TEX/SB/894

14 December 1983

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• **GENERAL AGREEMENT ON
TARIFFS AND TRADE**

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between the United States and Romania

The Textiles Surveillance Body has received from the United States a notification of a new bilateral agreement with Romania, covering cotton products, concluded under Article 4¹ of the MFA, valid for the period 1 January 1983 to 31 December 1987.

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous bilateral agreement and subsequent modifications are contained in COM.TEX/SB/301, 397, 493 and 728

²See COM.TEX/SB/35, Annex B.

UNITED STATES AND THE
SOCIALIST REPUBLIC OF ROMANIA
SIGN NEW BILATERAL TEXTILE
AGREEMENT

The United States and the Socialist Republic of Romania exchanged letters dated January 28, 1983 and March 31, 1983 to establish a new bilateral textile Agreement relating to trade in cotton textiles. The texts of the letters follow:

UNITED STATES LETTER (Letter 1)

January 28, 1983
Bucharest, Romania

Mr. Alexandru Rosu
Minister State-Secretary
Ministry of Foreign Trade and
International Economic Cooperation
Bucharest

Dear Mr. Minister:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973, and to the Protocol extending this Arrangement adopted December 22, 1981 in Geneva (hereafter referred to as the Arrangement). I also refer to recent discussions between representatives of our two governments concerning exports of cotton textiles from Romania to the United States of America held in Bucharest from October 13 to October 16, 1982. As a result of those discussions and in conformity with Articles 4 and 6 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 textiles between Romania and the United States of America.

1. The term of this Agreement shall be from January 1, 1983 through December 31, 1987. During such term, the Government of the Socialist Republic of Romania shall limit annual exports of cotton textiles (as defined in paragraph 2) from Romania to the United States of America to the limits specified in the following paragraphs.

2. All cotton textiles are subject to this Agreement. Textiles include 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 50 percent or more by weight (or 17 percent or more by weight of wool) of the product. A textile is a cotton textile:

- (A) If wholly or in chief value cotton, or
- (B) If containing 50 percent or more by weight of cotton, or
- (C) If (i) a blend of cotton with wool or man-made fiber or both wool and man-made fiber 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 and (ii) the cotton component exceeds by weight the wool and/or the man-made fiber component.

All other textiles of wool or man-made fiber remain subject to the Agreement of September 3 and November 3, 1980 between the Governments of the United States of America and the Socialist Republic of Romania in accordance with its terms.

3. The system of categories and rates of conversion into square yards equivalent listed in Annex A hereto shall apply in implementing this Agreement.

4. (A) Textiles and textile products covered by this Agreement shall be classified in Groups as follows:

Group I -- Yarns, Fabrics, and Made-Up and Miscellaneous
(Categories 300-320, 360-369)

Group II -- Apparel Products except Category 334
(Categories 330-333, 335-359)

Group III -- Men's and Boys' Cotton Coats
(Category 334)

(5) The Group Limit for Group II for each Agreement year shall be as follows:

	LIMIT (SQUARE YARDS EQUIVALENT)
1st Agreement year (January 1 - December 31, 1983)	23,195,781
2nd Agreement year (January 1 - December 31, 1984)	24,819,466
3rd Agreement year (January 1 - December 31, 1985)	26,556,850
4th Agreement year (January 1 - December 31, 1986)	28,415,829
5th Agreement year (January 1 - December 31, 1987)	30,404,937

(C) The Specific Limits on Categories 335 and 340 for each Agreement Year shall be as follows:

	LIMIT (DOZENS)	
	335	340
1st Agreement year (January 1 - December 31, 1983)	56,100	128,801
2nd Agreement year (January 1 - December 31, 1984)	60,027	137,817
3rd Agreement year (January 1 - December 31, 1985)	64,229	147,464
4th Agreement year (January 1 - December 31, 1986)	68,725	157,787
5th Agreement year (January 1 - December 31, 1987)	73,536	168,832

(D) During these Agreement years the Government of the Socialist Republic of Romania shall limit annual exports of products to the Group and specific limits according to subparagraphs (B) and (C). The Group limit may be adjusted in accordance with paragraph 7 below, and the specific limits within Group II may be adjusted in accordance with paragraphs 6 and 7. Limits set forth in paragraph 4 (B) and (C) do not include any of these adjustments. Exports are subject to limits or levels for the year in which exported.

5. (A) Exports in each category subject to this Agreement not given specific limits shall be subject to a consultation level or designated consultation level and to applicable group limits. The annual consultation levels for categories not subject to designated consultation levels pursuant to subparagraph 5 (B) shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for each apparel category.

(B) The following categories shall be subject to annual designated consultation levels as set out below:

Categories:

Group I	Unit	Level
313 - Sheeting	SYE	2,000,000
314 - Broadcloth	SYE	1,500,000
315 - Printcloth	SYE	1,500,000
320 - Other Fabrics nes	SYE	2,000,000
361 - Sheets	NO	483,871
369 - Other cotton manufactures	LBS	652,174

Group II	Unit	Level
333 - Suit type coats, M and B	DOZ	66,298
338 - Knit Shirts, M and B	DOZ	256,000
(338 Part, other than T-Shirts and Sweat Shirts)	DOZ	97,222
339 - Knit Shirts and blouses, W, G, and I	DOZ	138,889
347 - Trousers, M and B	DOZ	167,282
348 - Trousers W,G, and I	DOZ	78,652
352 - Underwear	DOZ	181,816
359 - Other apparel	LBS	652,174

Group III	Unit	Level
334 - Other Coats, M and B	DOZ	257,153
(334 Part, Other than Zipperec Sweatshirts currently in TSUSA 379.3905)	DOZ	36,320

6. During any Agreement year and within the applicable Group limit for each Agreement year as it may be adjusted pursuant to paragraph 7, a specific limit in paragraph 4 (C) may be exceeded by not more than seven percent, provided that the amount of the increase is compensated for by an equivalent decrease, in square yards equivalent, in another specific limit.

7. In any Agreement year, in addition to any adjustment pursuant to paragraph 6 above, exports may exceed by a maximum of 11 percent any specific or group limit set out in paragraph 4 (B) and (C) 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 ("carryforward") subject to the following conditions:

(A) Carryover may be utilized as available up to 11 percent of the receiving Agreement year's limit provided, however, that no carryover shall be available for application during the first year of the Agreement;

(B) The combination of carryover and carryforward shall not exceed 11 percent of the receiving Agreement year's applicable limit in any Agreement year;

(C) Carryforward may be utilized up to 6 percent of the receiving Agreement year's applicable limits and shall be charged against the immediately following Agreement year's corresponding limits; no carryforward shall be available for application during the final Agreement year; and

(D) (i) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Romania to the United States of America during an Agreement year (plus any charges for overshipments made in the preceding years) are below any applicable specific or group limit set out in paragraphs 4(B) and (C) as decreased pursuant to paragraphs 6, 7 or adjusted downwards for overshipments or other mutually agreed upon amendments. In the Agreement year following the shortfall, such exports from Romania to the United States of America may be permitted to exceed the applicable limits, subject to conditions set forth above, by carryover of shortfall in the following manner:

(a) The carryover shall not exceed the amount of shortfall in any applicable limit;

(b) The shortfall shall be used in the category in which the shortfall occurred.

(ii) The total adjustment permissible under paragraph 7 for the first Agreement year shall be 6 percent consisting solely of carryforward.

(E) The Government of the United States of America may apply adjustments under this paragraph to any specific or group limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the Agreement. To the extent that such adjustments are actually utilized, they will be implemented by means of carryover and carryforward in that order. Any unused carryforward will be re-credited to the following period's limit. This procedure will not prejudice the outcome of any consultations that may be held between our governments concerning the amounts of available carryover and carryforward used.

8. In the event the Government of the Socialist Republic of Romania wishes to export to the United States of America textile products in excess of any applicable consultation level or levels, the Government of the Socialist Republic of Romania shall request the higher level or levels and the United States shall consider the request sympathetically and shall respond promptly. Until a mutually satisfactory agreement is reached for each category, annual shipments in that category shall be kept within the consultation level applicable to that category.

9. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports from the Socialist Republic of Romania to the United States of America of handloom fabrics of the cottage industry of Romania, or hand-made cottage industry products of such handloom fabrics, or traditional folklore textile products shall not be subject to the provisions of this Agreement.

10. The Government of the Socialist Republic of Romania shall use its best efforts to space exports from Romania to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

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

12. The Government of the United States of America and the Government of the Socialist Republic of Romania agree to consult on any question arising in the implementation of this Agreement.

13. 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.

14. If the Government of the Socialist Republic of Romania considers that, as a result of limitations specified in this Agreement, Romania is being placed in an inequitable position vis-a-vis a third country, the Government of the Socialist Republic of Romania may request consultations with the Government of the United States of America with a view towards taking appropriate remedial action such as reasonable modification of this Agreement.

15. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 5 of the Arrangement to request restraint on the export of cotton textiles from Romania to the United States.

16. The Government of the United States of America may assist the Government of the Socialist Republic of Romania in implementing the limitation provisions of this Agreement by controlling imports of cotton textiles covered by the Agreement.

17. 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 90 days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this Agreement.

18. (A) Exports from the Socialist Republic of Romania in excess of authorized limits in any agreement year may be denied entry into the United States. Any such shipments denied entry, may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement year.

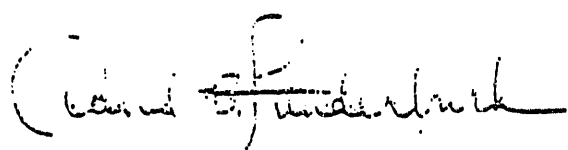
(B) Exports from the Socialist Republic of Romania in excess of authorized limits in any agreement year will, if allowed entry into the United States during that agreement year, be charged to the applicable limit in the succeeding agreement year.

(C) Any action taken pursuant to sub-paragraph 18 (A) and 18 (B) above, will not prejudice the rights of either side regarding consultations.

19. In conformity with Article 8 of the Arrangement, the Socialist Republic of Romania and the United States of America shall cooperate to avoid circumvention of the Agreement.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this letter and your letter of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Agreement between the Government of the Socialist Republic of Romania and the Government of the United States of America.

Sincerely,



David S. Funderburk
Ambassador

Attachment: Annex A

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
300	Cotton carded yarn	4.6	Lb.
301	Cotton combed yard	4.6	Lb.
310	Gingham	1.0	SYD
311	Velveteen	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloth	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.e.s.	1.0	SYD
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	45.3	DZ.
337	Playsuits, Sunsuits, Washsuits, Creepers	25.0	DZ.
338	Knit shirts, (incl. T-shirts and sweatshirts) M and B	7.2	DZ.

M and B = Men's and Boys'
W, G, and I = Women's, Girls' and Infants'
n.k. = not knit

Category	Description	Conversion Factor	Unit of Measure
339	Knit shirts and blouses (incl. T-shirts and 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	36.6	DZ.
347	Trousers, slacks, and shorts (outer) M and B	17.8	DZ.
348	Trousers, slacks and shorts (outer) W, G and I	17.6	DZ.
349	Brassieres, etc.	4.6	DZ.
350	Dressing gowns, incl. bathrobes, and beach robes house coats, and dusters	51.0	DZ.
351	Pajamas and other nightwear	52.0	DZ.
352	Underwear (incl. union suits)	11.0	DZ.
353	Down and feather-filled coats, jackets and vests, (M and B)	41.3	DZ.
354	Down and feather-filled coats, jackets and vests, (W, G, and I)	41.3	DZ.
359	Other apparel	4.6	Lb.
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.

ROMANIAN LETTER

March 31, 1983

Mr. David B. Funderburk
Ambassador
Embassy of the
United States of America
Bucharest

Dear Mr. Ambassador:

I have the honor to acknowledge the receipt of your letter of January 28, 1983 which reads as follows:

(Text Letter 1)

I confirm, by this letter, that the proposal contained in your above mentioned letter is acceptable to the Romanian Government and that this letter, together with this reply shall constitute an Agreement between the Government of the Socialist Republic of Romania and the Government of the United States of America.

Please accept, Mr. Ambassador, the renewed assurances of my highest consideration.

Alexandru Roşu,
MINISTER SECRETARY OF STATE
MINISTRY OF FOREIGN TRADE AND
INTERNATIONAL ECONOMIC COOPERATION

Attachment: Annex A