

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1053\*

30 April 1985

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Textiles Surveillance Body

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 a notification from the United States of a new bilateral agreement, covering wool and man-made fibres, with Romania, concluded under Article 4 of the MFA, valid for the period 1 January 1985 to 31 December 1989.<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 forwarding the text of the notification to participating countries for their information.<sup>3</sup>

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<sup>1</sup>The previous bilateral agreement and modifications are contained in COM.TEX/SB/671, 727, 827, 865, 1014 and 1015

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

<sup>3</sup>For the TBS's observations on this notification, see COM.TEX/SB/1060

\* English only/Anglais seulement/Inglés solamente

UNITED STATES AND SOCIALIST REPUBLIC OF ROMANIA  
SIGN BILATERAL TEXTILE AGREEMENT RELATING TO  
TRADE IN WOOL AND MAN-MADE FIBRE TEXTILES AND TEXTILE PRODUCTS

The United States and the Socialist Republic of Romania exchanged notes in Bucharest dated November 7 and November 16, 1984, respectively, to effect a new bilateral textile agreement regarding trade in wool and man-made fiber textiles and textile products. Texts of the notes follow.

UNITED STATES NOTE

Bucharest  
November 7, 1984

His Excellency  
Alexandru Rosu  
Minister Secretary of State of  
Foreign Trade and International  
Economic Cooperation  
Socialist Republic of Romania

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 22, 1981 at Geneva (hereinafter referred to as the Arrangement).

I have also the honor to refer to discussions held in Washington, Bucharest and Geneva during August-October, 1984 between representatives of the Government of the United States of America and the Government of the Socialist Republic of Romania concerning exports to the United States of wool

and man-made fiber textiles and textile products manufactured in Romania. 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 Wool and Man-Made Fiber Textiles and Textile Products between the United States of America and the Socialist Republic of Romania.

1. The term of the Agreement shall be from January 1, 1985 through December 31, 1989. Each "agreement year" shall be a twelve-month period beginning on January 1 and continuing through December 31.

2. The system of categories and the rates of conversion into square yards equivalent (SYE) listed in Annex A shall apply in implementing the Agreement.

For purposes of this Agreement, the following categories are merged and treated as single categories and sub-categories:

Categories Merged	Designation in Agreement	Sub-Categories
433;434	433/434	None
435;444	435/444	None
638;639	638/639	None
643;644	643/644	643/644 Pt. (knit 643/644 Pt. (not knit
645;646	645/646	None

3. Textiles and textile products covered by the Agreement shall be classified in groups as follows:

Group I - Yarns

(Categories 400, 600-605)

Group II - Other Non-Apparel Products

(Categories 410-429, 464-469, 610-627, 655-670)

Group III - Apparel Products

(Categories 431-459, 630-659)

4. Commencing with the first agreement year, and during the remaining term of the Agreement, the Government of the Socialist Republic of Romania shall limit annual exports from Romania to the United States of wool and man-made fiber textiles and textile products to the group and specific limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 5 and 6. Exports are subject to limits or levels for the year in which exported.

5. (a) During any agreement year and within the applicable group limits for such agreement year as they may be adjusted pursuant to paragraph 6, any specific limit (or sub-limit) set out in Annex B may be exceeded by not more than 7 percent in the case of man-made fiber categories or 5 percent in the case of wool categories (intercategory flexibility).

(b) In the case of categories 433/434, 443, 643/644 Pt. (not knit), and 645/646, the limits in Annex B include all adjustment pursuant to this paragraph. When intercategory flexibility (swing) is taken from one or more of these categories the limits to be used in calculating the swing available shall be determined by dividing the specific limits as set out in Annex B by 1.07 in the case of man-made categories and 1.05 in the case of wool categories.

(c) In the case of category 604, swing may be taken from any other category or categories with specific limits, as set out in Annex B, provided that the amount of the increase be compensated for by an equivalent SYE decrease during the same agreement year.

(d) No specific limit may be decreased pursuant to subparagraph 5 (c) to a level which is below the level of exports charged against that category's limit for that agreement year.

(e) When informing the Government of the United States of adjustment under the provisions of subparagraph 5 (c), the Government of the Socialist Republic of Romania shall indicate the category or categories to be decreased.

(f) Adjustments made pursuant to subparagraphs 5 (a), (b) and (c) are in addition to those pursuant to paragraph 6.

6. (a) In any agreement year, in addition to any adjustment pursuant to paragraph 5, exports may exceed by a maximum of 11 percent any limit set out in Annex B 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:

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

(2) 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 fifth agreement year;

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

(4) Carryover of shortfall (as defined in subparagraph 6 (b)) shall not be applied to any limits until the Governments of the United States of America and the Socialist Republic of Romania have agreed upon the amounts of shortfall involved.

(b) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Romania to the United States during an agreement year are below any applicable group and specific limit as set out in Annex B, as adjusted downward by paragraph 5 (b) and (c). In the Agreement year following the shortfall, such exports from Romania to the United States may be permitted to exceed the applicable limits, subject to conditions of subparagraph 6 (a), by carryover of shortfall in the following manner:

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

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

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

7. Categories in Groups II and III not given specific limits are subject to consultation levels and to the applicable group limits. In the event the Government of the Socialist Republic of Romania wishes to permit exports to the United States of America in any category in excess of the applicable consultation level during any agreement year, the Government of the Socialist Republic of Romania shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until a mutually

acceptable solution is reached, the Government of the Socialist Republic of Romania shall limit exports to the United States of America in the category in question to the consultation level. For each agreement year, the minimum consultation level for each category in Groups II and III not given a specific limit shall be 1,000,000 square yards equivalent for man-made fiber nonapparel categories; 700,000 square yards equivalent for man-made fiber apparel categories; and 100,000 square yards equivalent for wool categories. Consultation levels above these stated amounts are specified in Annex C hereto. Products in Group II are subject to a group consultation level as shown in Annex C.

8. (a) In the event that the Government of the United States of America believes that imports from the Socialist Republic of Romania classified in any category or categories in Group I not covered by specific limits or by designated consultation levels are, due to market disruption or the threat thereof, 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 Socialist Republic of Romania with a view to avoiding such market disruption. The Government of the United States of America shall provide the Government of the Socialist Republic of Romania 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 or the threat thereof, and 2) the role of exports from Romania in that disruption.

(b) The Government of the Socialist Republic of Romania 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.

(c) During the 90-day period, the Government of the Socialist Republic of Romania agrees to hold its shipments to the United States in the pertinent category or categories to a level no greater than 35 percent of the amount entered in the last 12 month period for which data are available.

(d) (1) If no mutually satisfactory solution is reached in consultations, the Government of the United States may establish annual specific limits for the duration of the Agreement for shipments of products in the category or categories concerned exported after the expiration of the 90-day consultation period noted in paragraph 8 (c). The level of any specific limit so established shall be prorated in the first year to correspond to the time

remaining in the agreement year in which the specific limit was established. The notional specific limit shall not be less than the higher of:

(i) The latest 12-month level of imports entered for which data was available on the date of the request for consultations, plus 20 percent in the case of man-made fiber categories or plus 6 percent in the case of wool categories.

(ii) The average of the latest two agreement years' level of exports, plus 20 percent in the case of man-made fiber categories, or plus 6 percent in the case of wool categories.

(2) Any specific limit established pursuant to this paragraph will increase in succeeding agreement years by 7 percent per year in the case of man-made fiber categories and by 1 percent per year in the case of wool categories.

(3) In the case in which any 90-day limit established pursuant to paragraph 8 (c) is overshipped, the Government of the United States may charge shipments in excess of the 90-day limit to the specific limit established.

9. In accordance with Article 12, paragraph 3 of the Arrangement and subject to the establishment of a mutually agreed upon certification system, Romanian exports of hand-loom fabrics of the cottage industry or hand-made cottage

industry products made of such hand-loom fabrics, or traditional folklore handicraft textile products, will not be subject to the provisions of the 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. Exports from Romania in excess of authorized levels for each agreement year will, if allowed entry into the United States, be charged to the applicable level for the succeeding agreement year.

11. The Government of the United States of America shall promptly supply the Government of the Socialist Republic of Romania with monthly data on imports of 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 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. (a) Unless subject to the Agreement relating to Trade in Cotton Textiles between the United States of America and the Socialist Republic of Romania, effected by exchange of notes January 28 and March 31, 1983, or to a succeeding agreement on trade in cotton textiles between the two Governments, 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 these 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 subject to the Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as wool or man-made fiber textiles if wholly or in chief value of these fibers. Any product not in chief value of wool or man-made fiber shall be classified as:

(i) Cotton textiles, subject to the Agreement relating to Trade in Cotton Textiles between the United States of America and the Socialist Republic of Romania, 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 components;

(ii) Wool textiles, if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and

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

13. 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 the Agreement. If the two Governments are unable to reach

a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under the 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.

14. 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.

15. If the Government of the Socialist Republic of Romania considers that, as a result of a limitation 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 to taking appropriate remedial action such as reasonable modification of the Agreement.

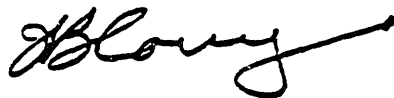
16. For the duration of the Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraints on the export from Romania of textiles covered by the Agreement.

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

18. Either government may terminate the 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 terms of the Agreement.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your Excellency's note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an agreement between our two Governments.

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



Charge d'Affaires ad interim

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
Yarn			
- wool			
400	Tops and yarns	2.0	lb.
- man-made fibre			
600	Textured	3.5	lb.
601	Continuous cellulosic	5.2	lb.
602	Continuous non-cellulosic	11.6	lb.
603	Spun cellulosic	3.4	lb.
604	Spun non-cellulosic	4.1	lb.
605	Other yarns	3.5	lb.
Fabric			
- wool			
410	Woollens 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 fibre			
610	Continuous cellulosic, n.k.	1.0	syd
611	Spun cellulosic, n.k.	1.0	syd
612	Continuous non-cellulosic, n.k.	1.0	syd
613	Spun non-cellulosic, 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	Speciality	7.8	lb.
Apparel			
- wool			
431	Gloves	2.1	dpr
432	Hosiery	2.8	dpr
433	Suit-type coats, M and B	36.0	doz.
434	Other coats, M and B	54.0	doz.

Category	Description	Conversion Factor	Unit of Measure
Apparel (cont'd)			
435	Coats, W, G and I	54.0	doz.
436	Dresses	49.2	doz.
438	Knit shirts and blouses	15.0	doz.
440	Shirts and blouses, n.k.	24.0	doz.
442	Skirts	18.0	doz.
443	Suits, M and B	54.0	doz.
444	Suits, W, G and I	54.0	doz.
445	Sweaters, M and B	14.88	doz.
446	Sweaters, W, G and I	14.88	doz.
447	Trousers, slacks and shorts (outer) M and B	18.0	doz.
448	Trousers, slacks and shorts (outer) W, G and I	18.0	doz.
459	Other wool apparel	2.0	lb.
- man-made fibre			
630	Handkerchieves	1.7	doz.
631	Gloves	3.5	dpr
632	Hosiery	4.6	dpr
633	Suit-type coats, M and B	36.2	doz.
634	Other coats, M and B	41.3	doz.
635	Coats, W, G and I	41.3	doz.
636	Dresses	45.3	doz.
637	Playsuits, sunsuits, washesuits, etc.	21.3	doz.
638	Knit shirts, (incl. T-shirts) M and B	18.0	doz.
639	Knit shirts and blouses (incl. T-shirts) W, G and I	15.0	doz.
640	Shirts, n.k.	24.0	doz.
641	Blouses, n.k	14.5	doz.
642	Skirts	17.8	doz.
643	Suits, M and B	54.0	doz.
644	Suits, W, G and I	54.0	doz.
645	Sweaters, M and B	36.8	doz.
646	Sweaters, W, G and I	36.8	doz.
647	Trousers, slacks and shorts (outer), M and B	17.8	doz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	doz.
649	Brassières, etc.	4.8	doz.



Category	Description	Conversion Factor	Unit of Measure
Apparel (cont'd)			
650	Dressing gowns (incl. bath and beach robes)	51.0	doz.
651	Pyjamas and other nightwear	52.0	doz.
652	Underwear	16.0	doz.
653	Down and featherfilled coats, jackets, vests, M and B	41.3	doz.
654	Down and featherfilled coats, jackets, vests, W, G and I	41.3	doz.
659	Other apparel	7.8	lb.
Made-ups and miscellaneous			
- wool			
464	Blankets and auto robes	1.3	lb.
465	Floor coverings	0.1	sft.
469	Other wool manufactures	2.0	lb.
- man-made fibre			
665	Floor coverings	0.1	sft.
666	Other furnishings	7.8	lb.
669	Other man-made manufactures	7.8	lb.
670	Luggage, flatgoods, handbags	2.0	lb.

ANNEX B

SPECIFIC LIMITS  
(square yards equivalent)

Categories	Agreement Year				
	1st	2nd	3rd	4th	5th
604 <sup>2/</sup>	11,499,705	12,321,170	13,200,138	14,140,634	15,146,964
Group III	36,702,288	39,271,448	42,020,449	44,961,880	48,109,211
443 <sup>1/</sup>	424,670	428,917	433,206	437,538	441,913
433/434 <sup>1/</sup>	272,700	275,427	278,181	280,963	283,773
435/444 <sup>2/</sup>	399,396	403,390	407,424	411,498	415,613
643/644 pt (not knit) <sup>1/</sup>	1,736,805	1,858,381	1,988,468	2,127,661	2,276,597
638/639 <sup>2/</sup>	4,295,467	4,596,150	4,917,881	5,262,133	5,630,482
635 <sup>2/</sup>	2,033,228	2,175,554	2,327,843	2,490,792	2,665,147
645/646 <sup>1/</sup>	6,700,962	8,114,919	8,358,367	8,609,118	8,867,392

<sup>1/</sup> Includes annual growth and intercategory flexibility (swing)

<sup>2/</sup> Includes annual growth; does not include intercategory flexibility (swing)

ANNEX C

DESIGNATED CONSULTATION LEVELS

Categories	Square Yards Equivalents
<u>Group II</u>	12,000,000
410	200,000
465	155,000
610	2,000,000
611	2,000,000
612	2,000,000
613	4,000,000
614	1,500,000
666	2,000,000
<u>Group III</u>	
459	150,000
633	1,600,000
634	2,200,000
634 pt (not knit)	700,000
634 pt (knit)	1,500,000
640	1,200,000
643/644 pt (knit)	112,500
647	1,400,000
648	1,065,000
659	1,750,000

ROMANIAN NOTE

Bucharest, 16 November 1984

Mr. Francis B. Corry  
Charge d'Affaires ad interim  
Embassy of the United States  
Bucharest

Excellency,

I have the honour to acknowledge receipt of your Note of 7 November 1984, which reads as follows:

UNITED STATES NOTE

I have the honour to confirm hereby that the proposal contained in your Note is acceptable to the Government of the Socialist Republic of Romania and that your Note, together with this Note of reply, 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.

Please accept, Excellency, the renewed assurances of my highest consideration.

Alexandru Roşu  
Minister Secretary of State  
Ministry of Foreign Trade and  
International Economic Co-operation