

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1304*

28 September 1987

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between the United States and the Philippines

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with the Philippines for the period 1 January 1987 to 31 December 1991. This¹ agreement superseded the three-month extension of the previous agreement.

The TSB, pursuant to² its procedures regarding bilateral agreements notified under Article 4,² has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous agreement, modifications and an extension are contained in COM.TEX/SB/904, 905, 1172, 1228 and 1249.

²COM.TEX.SB/35, Annex B

³For the TSB's observations on this notification see COM.TEX/SB/1306.

* English only/Anglais seulement/Inglés solamente

THE UNITED STATES AND THE REPUBLIC OF THE
PHILIPPINES SIGN NEW BILATERAL TEXTILE AGREEMENT

The United States and the Republic of the Philippines exchanged letters dated March 4, 1987 to establish a new bilateral textile agreement. The texts of the letters follow:

UNITED STATES LETTER

Antonio I. Basilio
Commercial Counsellor
Embassy of the Philippines
Washington

March 4, 1987

Dear Mr. Basilio:

I have the honor to refer to the Arrangement regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, as extended by the Protocol of July 31, 1986.

I also refer to discussions between representatives of the Government of the Republic of the Philippines and the Government of the United States of America in Washington, D.C. from January 5-9 1987, concerning cotton, wool, man-made fiber textiles and textile products, and silk blend and other vegetable fiber apparel of the Philippines exported to the United States.

As a result of these discussions, I propose on behalf of the Government of the United States, under Article 4 of the Arrangement, the following Agreement relating to Trade in Cotton, Wool and Man-Made Fiber Textiles and Textile Products and Silk Blend and Other Vegetable Fiber Apparel between the Government of the Republic of the Philippines and the Government of the United States.

AGREEMENT TERM

1. The term of this Agreement will be the period from January 1, 1987, through December 31, 1991. Each "Agreement Period" shall be a twelve-month period from January 1 of a given year to December 31 of the same year.

COVERAGE AND STRUCTURE

2. (a) Textiles and textile products covered by this Agreement are those set forth in Annex A.

(b) Textiles and textile products covered by this Agreement shall be structured in two groups, as follows:

(i) Group I: Cotton, wool and man-made fiber apparel and non-apparel products subject to the Specific Limits set forth in Annex B.

(ii) Group II: Cotton, wool and man-made fiber textiles and textile products and silk blend and vegetable fiber apparel set forth in Annex A and not subject to Specific Limits at the time of signature of the Agreement. The Group II limits are set forth in Annex B.

(c) Properly marked commercial samples valued at \$250 or less and items for personal use of the importer and not for re-sale shall not be subject to the limits set forth in this Agreement.

CLASSIFICATION

3. (a) 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 fiber, 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 subject to this Agreement.

(b) For the 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. Any product covered by subparagraph (A) above but not in chief value of cotton or wool or man-made fiber 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; and

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

(c) Garments which derive their chief characteristics from their textile components of cotton, wool, man-made fiber, silk blend, and other vegetable fiber, or blends thereof, in which (i) the chief value is silk and/or other vegetable fiber or (ii) 50 percent or more by weight is

silk or other vegetable fiber or [iii] 50 percent or more by weight of a combination of silk, vegetable fiber, cotton, wool, or man-made fiber, are subject to this Agreement. Such garments shall be classified as silk blend and other vegetable fiber. Notwithstanding the above, garments which contain 70 percent or more silk by weight are not subject to this Agreement.

(d) For the purposes of the application of subparagraphs (a), (b) and (c) above, a product shall first be considered under the provisions of subparagraphs (a) and (b) and, only in the event of those two subparagraphs' not applying, shall it then fall to be considered under subparagraph (c). If subparagraph (c) does apply to the product in question it shall accordingly be classified under that subparagraph.

MERGED CATEGORIES

4. (a) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement, except as provided for in paragraph 4 hereof.

(b) For the purposes of this Agreement, the categories listed below are merged and treated as single categories as indicated:

Categories	Designation	Conversion Factors	Unit of Measure
333 and 334	333/334	41.3	Dz.
337 and 637	337/637	23.0	Dz.
338 and 339	338/339	7.2	Dz.
340 and 640	340/640	24.0	Dz.
341 and 641	341/641	14.5	Dz.
342 and 642	342/642	17.8	Dz.
347 and 348	347/348	17.8	Dz.
351 and 651	351/651	52.0	Dz.
352 and 652	352/652	13.5	Dz.
445 and 446	445/446	14.88	Dz.
638 and 639	638/639	15.5	Dz.
645 and 646	645/646	36.8	Dz.
647 and 648	647/648	17.8	Dz.

LIMITS

5. (a) Commencing with the first agreement period and during the subsequent term of this Agreement, the Government of the Philippines shall limit annual shipments to the United States of textiles and textile products to the Group Limits and Specific Limits set out in Annex B. The limits may be adjusted in accordance with Paragraph 6.

(b) A factor of 1.74 pounds equals one dozen shall be used to convert pounds to dozens for infant sets in categories 359 and 659.

FLEXIBILITY ADJUSTMENTS

6. (a) (i) During any Agreement Period the Group II Limit set forth in Annex B may be exceeded by not more than seven percent swing, provided a corresponding reduction is made in one or more Specific Limits in Group I.

(ii) The Specific Limits set forth in Annex B do not include any adjustments permitted under Paragraph 6.

(iii) During any Agreement Period, any Specific Limit may be increased by not more than seven (7) percent swing, provided a corresponding reduction is made to another Specific Limit and/or to the Group II Limit.

(iv) In addition to the adjustments pursuant to subparagraph 6 (a) (iii), category 335 may be increased by up to 30 percent, provided that an equivalent quantity is deducted from category 635 in the same agreement year.

(b) (i) The extent to which the Group II limit set forth in Annex B may be exceeded in any Agreement Period by carryforward and/or carryover is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

(ii) The extent to which any Specific Limit may be exceeded in any Agreement Period by carryforward and/or carryover is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

(iii) No carryover shall be available for application in the first Agreement Period. No carryforward shall be available for application in the final Agreement Period.

(iv) The Government of the United States may apply flexibility under paragraphs 6 (b) (i) and (ii) to any Specific Limits or the Group II 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

flexibility will be re-credited to the donor limit. This procedure will not prejudice the outcome of any consultations between our Governments concerning the amounts of flexibility available.

(c) For the purposes of the Agreement, a shortfall in a Specific Limit or the Group II Limit occurs when textiles or textile products of the Philippines exported to the United States during any Agreement Period are less than the applicable Specific Limit or Group II Limit as set out in Annex B or, in the case of any limit decreased pursuant to Paragraph 6(a) or 6(b), when such exports are below the Specific Limit or Group II Limit, as decreased.

U.S. ASSISTANCE IN IMPLEMENTATION
OF THE LIMITATION PROVISIONS

7. (a) The Government of the Philippines shall administer its export control system under this Agreement. The Government of the United States may assist the Government of the Philippines in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

(b) Products of the Philippines exported in excess of authorized limits in any Agreement Period 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 Period.

(c) Products of the Philippines shipped in excess of applicable limits in any Agreement Period will, if allowed entry into the United States during that Agreement Period, be charged to the applicable limit in the succeeding Agreement Period.

(d) Any action taken pursuant to Paragraphs 7(a) and 7(b) above, will not prejudice the rights of either side regarding consultations.

SPACING PROVISIONS

8. The Government of the Philippines shall use its best efforts to space exports to the United States within each category or product evenly throughout each Agreement Period, taking into consideration normal seasonal factors.

EXCHANGE OF DATA

9. (a) The Government of the United States shall promptly supply the Government of the Philippines with data on monthly imports of cotton, man-made fiber, and wool textiles and textile products and silk blend and other vegetable fiber apparel into the United States from the Philippines.
- (b) The Government of the Philippines shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles and textile products and silk blend and other vegetable fiber apparel from the Philippines to the United States of America.
- (c) Each Government agrees to promptly supply any other available statistical data necessary to the implementation of this Agreement requested by the other Government.

MUTUALLY SATISFACTORY
ADMINISTRATIVE ARRANGEMENTS

10. 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.

CONSULTATIONS ON IMPLEMENTATION QUESTIONS

11. The Government of the United States and the Government of the Philippines agree to consult upon the request of the other, on any question arising in the implementation of this Agreement.

RIGHT TO PROPOSE REVISIONS TO THE AGREEMENT

12. The Government of the United States and the Government of the Philippines may at any time, including the period following the establishment of any successor to the current Arrangement, propose revisions to the terms of the Agreement. Each agrees to consult promptly with the other about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon.

CONSULTATION IN CASE OF INEQUITY
VIS-A-VIS A THIRD COUNTRY

13. If the Government of the Philippines considers that, as a result of limitations specified in this Agreement, it is being placed in an inequitable position in relation to a third country, the Government of the Philippines may request consultations with the Government of the United States with a view to taking appropriate remedial actions, such as a reasonable modification of this Agreement.

CONSULTATION MECHANISM

14. (a) In the event that the Government of the United States believes that imports of textile and apparel products from the Philippines in categories listed in Annex A to this Agreement (textiles and apparel made of cotton, wool, and man-made fiber and apparel made of silk blends and vegetable fibers other than cotton) and not subject to Specific Limits under this Agreement are, due to market disruption or the real risk thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States may request consultations with the Government of the Philippines with a view to easing or avoiding such market disruption or the real risk thereof. The Government of the United States will provide the Government of the Philippines, at the time of the request, with a statement of reasons for the request for consultations which in the view of the Government of the United States demonstrates:

- (i) the existence or real risk of market disruption; and
- (ii) the role of products of the Philippines in that disruption or risk of disruption.

(b) The Government of the Philippines agrees to consult with the Government of the United States within 30 days of receipt of the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory solution of the issue within 90 days of the receipt of such request, unless extended by mutual agreement.

(c) During the 90 day consultation period, the Government of the Philippines agrees to hold its shipments to the United States, whether direct or indirect, of textiles or textile products in the category or categories subject to these consultations to a level no greater than 35 percent of the amount entered, as reported in U.S. General Import Statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made.

(d) If no mutually satisfactory solution is reached during the 90 day consultation period, the Government of the United States may establish annual Specific Limits for textiles or textile products in the category or categories subject to these consultations for the duration of the Agreement. The Specific Limit will not be less than the amount, as reported in U.S. General Import Statistics,

during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus twenty (20) percent for cotton, man-made fiber, and apparel made of vegetable fibers and silk blends, and six (6) percent for wool product categories.

(e) The first term of any Specific Limit established under the preceding subparagraph will be effective for the period beginning on the first day following the conclusion of the consultation period and ending on the last day of the Agreement Period in which the Specific Limit was established. If a Specific Limit is established, the Specific Limit and any available swing or carryforward will be prorated to correspond to the period of time remaining in the existing Agreement Period. Carryover will not be available in the first Agreement Period following the 90 day consultation period. For each remaining Agreement Period any Specific Limits established under this provision will be increased by six (6) percent annual growth per year in the case of cotton, man-made fiber, vegetable fibers other than cotton,, and silk blend product categories, and one percent in the case of wool product categories.

ARTICLE 3 PROCEDURES

15. For the duration of this Agreement, the Government of the United States shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the exports of cotton, wool and man-made fiber textiles and textile products to the United States and covered by this Agreement. The Government of the United States and the Government the Philippines reserve their rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

PHILIPPINE PRODUCTS

16. Philippine Folklore and Handicraft items listed in Annex C are exempt from this Agreement.

VISA SYSTEM

17. Both Governments agree to maintain the visa and certification system effected by exchange of letters dated July 1 and July 7, 1976, to be amended to conform with the provisions of this Agreement.

PROVISION FOR TEXTILE AGREEMENTS
HARMONIZED COMMODITY CODE

18. (a) Both Governments recognize that adoption by the United States of the Harmonized Commodity Code will result in some changes in the United States' categorization of textile products covered by this Agreement. If such changes are made during the term of this Agreement, the Government of the United States and the Government of the Philippines will consult with a view toward reaching a mutually satisfactory resolution of issues concerning categories covered by this Agreement. The Government of the Philippines recognizes that should there be no resolution in such consultations, the Government of the United States reserves its right to make such adjustments to Annexes A and B as are necessary to bring them into conformity with the new category system and with the Harmonized Commodity Code. The intent of this conversion on the part of the United States is solely to align the system and limits with the Harmonized Commodity Code and is not intended to diminish overall trade with the Philippines.
- (b) Consultations under this paragraph shall be conducted no later than 90 days before final adoption of the Harmonized Commodity Code by the Government of the United States.

COOPERATION IN PREVENTION OF CIRCUMVENTION

19. Both Governments agree to collaborate with a view to taking appropriate administrative action to avoid circumvention of this Agreement. Officials of both Governments agree to continue to cooperate closely with each other in order to identify and eliminate problems related to circumvention and transshipments and to exchange information relating to such activities, in accordance with their respective laws and regulations.

RIGHT TO TERMINATE THE AGREEMENT

20. Either Government may terminate this Agreement, effective at the end of an Agreement Period, by written notice to the other Government, to be given at least 90 days prior to the end of such Agreement Period.

If the foregoing conforms with the understanding of the Government of the Philippines, this letter and your letter of confirmation on behalf of the Government of the Philippines shall constitute an Agreement between our two Governments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ronald J. Sorini". The signature is written in a cursive style with a long, sweeping tail that extends to the right.

Ronald J. Sorini
Deputy Chief Textile Negotiator.

Enclosures:
Annexes A, B, C

ANNEX A

Category	Description	Conversion Factor	Unit of Measures
YARN			
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	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			
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, not knit	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	Continuous cellulosic not knit	1.0	SYD.
611	Spun cellulosic, not knit	1.0	SYD.
612	Continuous non- cellulosic, not knit	1.0	SYD.
613	Spun non- cellulosic, not knit	1.0	SYD.
614	Other fabrics, not knit	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&B	36.2	DZ.
334	Other Coats, M&B	41.3	DZ.
335	Coats, WG&I	41.3	DZ.
336	Dresses (including uniforms)	45.3	DZ.
337	Playsuits, sunsuits, washsuits, creepers, rompers, etc.	25.0	DZ.

338	Knit shirts (including T-shirts, other and sweat shirts) M&B	7.2	DZ.
339	Knit shirts and blouses (including T-shirts, other and sweatshirts) WG&I	7.2	DZ.
340	Shirts, not knit	24.0	DZ.
341	Blouses, not knit	14.5	DZ.
342	Skirts	17.8	DZ.
345	Sweaters	36.8	DZ.
347	Trousers, slacks and shorts (outer) M&B	17.8	DZ.
348	Trousers, slacks and shorts (outer), WG&I	17.8	DZ.
349	Brassieres, etc.	4.8	DZ.
350	Dressing gowns, including bath robes, and beach robes, lounging gowns, housecoats, dusters, pajamas and other nightwear	52.0	DZ.
352	Underwear (including union suits)	11.0	DZ.
353	Down and feather filled coats, jackets, vests, M&B	41.3	DZ.
354	Down and feather- filled coats, jackets, vests, WG&I	41.3	DZ.
359	Other apparel	4.6	LB.
	Wool		
431	Gloves	2.1	DPR.
432	Hosiery	2.8	DPR.
433	Suit-type coats, M&B	36.0	DZ.
434	Other coats, M&B	54.0	DZ.
435	COATS, WG&I	54.0	DZ.
436	Dresses	49.2	DZ.
438	Knit shirts and blouses	15.0	DZ.
440	Shirts and blouses, not knit	24.0	DZ.

442	Skirts	18.0	DZ.
443	Suits, M&B	54.0	DZ.
444	Suits, WG&I	54.0	DZ.
445	Sweaters, M&B	14.88	DZ.
446	Sweaters, WG&I	14.88	DZ.
447	Trousers, slacks and shorts, (outer), M&B	18.0	DZ.
448	Trousers, slacks and shorts, [outer], WG&I	18.0	DZ.
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&B	36.2	DZ.
634	Other coats, M&B	41.3	DZ.
635	Coats, WG&I	41.3	DZ.
636	Dresses	45.3	DZ.
637	Playsuits, sunsuits, washesuits, etc.	21.3	DZ.
638	Knit shirts, (including T-shirts) M & B	18.0	DZ.
639	Knit shirts and blouses (including T-shirts), WG&I	15.0	DZ.
640	Shirts, not knit	24.0	DZ.
641	Blouses, not knit	14.5	DZ.
642	Skirts	17.8	DZ.
643	Suits, M&B	54.0	DZ.
644	Suits, WG&I	54.0	DZ.
645	Sweaters, M&B	36.8	DZ.
646	Sweaters, WG&I	36.8	DZ.
647	Trousers, slacks and shorts, (outer), M&B	17.8	DZ.
648	Trousers, slacks and shorts (outer), WG&I	17.8	DZ.
649	Brassieres, etc.	4.8	DZ.
650	Dressing gowns, including bathrobes and beach robes	51.0	DZ.
651	Pajamas and other nightwear	52.0	DZ.

652	Underwear	16.0	DZ.
653	Down and feather filled coats, jackets, vests, M&B	41.3	DZ.
654	Down and feather filled coats, jackets, vests, WG&I	41.3	DZ.
659	Other apparel	7.8	LB.

Silk blend and other vegetable fiber

831	Gloves	3.5	DPR.
832	Hosiery	4.6	DPR.
833	Suit type coats, M&B	36.2	DZ.
834	Other coats, M&B	41.3	DZ.
835	Coats, WG&I	41.3	DZ.
836	Dresses	45.3	DZ.
838	Knit shirts & blouses	14.0	DZ.
840	Shirts & blouses, not knit	20.0	DZ.
842	Skirts	17.8	DZ.
843	Suits, M&B	54.0	DZ.
844	Suits, WG&I	54.0	DZ.
845	Sweaters, other vegetable fiber	36.8	DZ.
846	Sweaters, silk blend	36.8	DZ.
847	Trousers, slacks & shorts (outer)	17.8	DZ.
850	Dressing gowns	51.0	DZ.
851	Pajamas & other nightwear	52.0	DZ.
852	Underwear	13.5	DZ.
858	Neckties	3.6	LB.
859	Other apparel	6.8	LB.

MADE-UPS AND MISCELLANEOUS

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 coverings	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 Fiber manufactures	7.8	LB.
670	Luggage, handbags flat goods	2.0	LB.

ANNEX B

GROUP I

Category	UNIT	Growth	1987 Limits	1988 Limits
Apparel Categories				
331	dpr	6%	750,000	795,000
333/4	doz	6%	130,000	137,800
(333)	doz	6%	(20,000)	(21,200)
335	doz	6%	100,000	106,000
635	doz	2%	305,312	311,418
336	doz	6%	330,000	349,800
636	doz	6%	860,000	911,600
337/637	doz	6%	1,000,000	1,060,000
338/339	doz	6%	1,100,000	1,166,000
340/640	doz	4%	600,000	624,000
(340/640 Yarn-Dyed)	doz	4%	(330,000)	(343,200)
341/641	doz	4%	580,000	603,200
342/642	doz	6%	275,000	291,500
345 (1)	doz	6%	85,000	90,100
347/348	doz	6%	1,000,000	1,060,000
351/651	doz	6%	300,000	318,000
352/652	doz	6%	1,200,000	1,272,000
359-I	doz	6%	780,000	826,800
431	dpr	1%	151,500	153,015
433	doz	1%	2,983	3,013
443	doz	1%	3,006	3,036
445/446	doz	1%	24,638	24,884
447	doz	1%	6,850	6,919
631	dpr	6%	2,450,000	2,597,000
633	doz	6%	15,000	15,900
634	doz	6%	180,000	190,800
638/639	doz	6%	1,130,000	1,197,800
643	doz	6%	40,000	42,400
645/646	doz	5%	500,000	525,000
647/648	doz	6%	600,000	636,000
649	doz	5%	4,261,365	4,474,433
650	doz	6%	51,900	55,014
659-I.	doz	6%	2,500,000	2,650,000
659-H	lbs	6%	1,200,000	1,272,000

Non-Apparel SLs

369-S	lbs	6%	950,000	1,007,000
604	lbs	6%	2,221,647	2,354,946

(1) An additional ten percent shall be available for handcrocheted items in category 345.

GROUP I

Category	UNIT	Growth	1989 Limits	1990 Limits
Apparel Categories				
331	dpr	6%	842,700	893,262
333/4	doz	6%	146,068	154,832
(333)	doz	6%	(22,472)	(23,820)
335	doz	6%	112,360	119,102
635	doz	2%	317,647	324,000
336	doz	6%	370,788	393,035
636	doz	6%	966,296	1,024,274
337/637	doz	6%	1,123,600	1,191,016
338/339	doz	6%	1,235,960	1,310,118
340/640	doz	4%	648,960	674,918
(340/640 yarn-dyed:)				
	doz	4%	(356,928)	(371,205)
341/641	doz	4%	627,328	652,421
342/642	doz	6%	308,990	327,529
345 (1)	doz	6%	95,506	101,236
347/348	doz	6%	1,123,600	1,191,016
351/651	doz	6%	337,080	357,305
352/652	doz	6%	1,348,320	1,429,219
359-I	doz	6%	876,408	928,992
431	dpr	1%	154,545	156,091
433	doz	1%	3,043	3,073
443	doz	1%	3,066	3,097
445/446	doz	1%	25,133	25,385
447	doz	1%	6,988	7,058
631	dpr	6%	2,752,820	2,917,989
633	doz	6%	16,854	17,865
634	doz	6%	202,248	214,383
638/639	doz	6%	1,269,668	1,345,848
643	doz	6%	44,944	47,641
645/646	doz	5%	551,250	578,813
647/648	doz	6%	674,160	714,610
649	doz	5%	4,698,155	4,933,063
650	doz	6%	58,315	61,814
659-I	doz	6%	2,809,000	2,977,540
659-H	lbs	6%	1,348,320	1,429,219
Non-Apparel SLs				
369-S	lbs.	6%	1,067,420	1,131,465
604	lbs.	6%	2,496,243	2,646,017

(1) An additional ten percent shall be available for handcrocheted items in category 345.

Group I

Category	Unit	Growth	1991 Limits
331	dpr	6%	946,858
333/4	doz	6%	164,122
(333)	doz	6%	(25,250)
335	doz	6%	126,248
635	doz	2%	330,480
336	doz	6%	416,617
636	doz	6%	1,085,730
337/637	doz	6%	1,262,477
338/339	doz	6%	1,388,725
340/640	doz	4%	701,915
(340/640 yarn-dyed:)			
	doz	4%	(386,053)
341	doz	4%	678,518
342/642	doz	6%	347,181
345 (1)	doz	6%	107,310
347/348	doz	6%	1,262,477
351/651	doz	6%	378,743
352/652	doz	6%	1,514,972
359-I	doz	6%	984,732
431	dpr	1%	157,652
433	doz	1%	3,104
443	doz	1%	3,128
445/446	doz	1%	25,638
447	doz	1%	7,128
631	dpr	6%	3,093,069
633	doz	6%	18,937
634	doz	6%	227,246
638/639	doz	6%	1,426,599
643	doz	6%	50,499
645/646	doz	5%	607,753
647/648	doz	6%	757,486
649	doz	5%	5,179,716
650	doz	6%	65,523
659-I	doz	6%	3,156,192
659-H	lbs	6%	1,514,972
Non-Apparel SLs			
369-S	lbs	6%	1,199,353
604	lbs	6%	2,804,778

(1) An additional ten percent shall be available for handcrocheted items in category 345.

GROUP II

	Square Yard Equivalent
1987	67,203,834
1988	73,252,179
1989	79,844,875
1990	87,030,914
1991	94,863,697

ANNEX C

PHILIPPINE ITEMS

Philippine Traditional Folklore
Handicraft Textile Products

Philippine items are traditional Philippine Products, cut, sewn or otherwise fabricated by hand in cottage units of the cottage industry. The following is the agreed upon list of such items;

Batik and Hablon Fabrics - hand woven fabrics of the cottage industry.

Banaue Cloth - cotton handloom fabric in multi-colors.

Other hand woven and handloom fabrics of the cottage industry.

Articles and garments made by hand from hand woven and hand loomed fabrics.

PHILIPPINES LETTER

March 4, 1987

Mr. Ronald J. Sorini
Deputy Chief Textile Negotiator
Office of the U.S. Trade Representative
600 17th St., N.W.
Washington, D.C. 20506

Dear Mr. Sorini:

I have the honor to acknowledge the receipt of your note of March 4, 1987, concerning the exports of cotton, wool, man-made fiber, silk blend and other vegetable fiber textiles and textile products from the Republic of the Philippines to the United States of America.

I have further the honor to inform you that the proposals set forth in your note are acceptable to The Government of the Republic of the Philippines and to confirm on behalf of The Government of the Philippines that your note and this note in reply thereto shall constitute an agreement between our two Governments.

Accept the renewed assurances of my highest consideration.

Sincerely,



ANTONIO I. BASILIO
Commercial Counsellor