

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral agreement between the United States and Panama

The Textiles Surveillance Body received a notification from the United States of a bilateral consultation agreement concluded with Panama for the period 1 April 1987 to 31 March 1990.¹

This notification, made in accordance with the request made by the Textiles Committee that agreements concluded with non-participants be notified, is being forwarded to participating countries for their information.

¹The previous bilateral agreement is contained in COM.TEX/SB/1031

* English only/Anglais seulement/Inglés solamente

UNITED STATES NOTE

Panama, August 13, 1987

Excellency:

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 protocols dated December 14, 1977, December 22, 1981, and July 31, 1986. I also have the honor to refer to consultations held on April 13 and 14 in Washington, D.C. between representatives of the Governments of Panama and the United States of America.

As a result of those consultations the Government of the United States of America proposes the following Agreement between our two Governments:

1. The term of this Agreement will be the period from April 1, 1987 through March 31, 1990. Each Agreement period shall be a twelve month period from April 1 of a given year to March 31 of the following year.
2. The coverage of this Agreement is limited to wool and man-made fiber sweaters. These sweaters will be classified in the following categories:

Category 445/446: All sweaters in which wool is the component of chief value, or if not in chief value wool, man-made fiber or cotton, when wool equals or exceeds 17 percent by weight of all component fibers.

Category 645/646: Sweaters in which man-made fiber represents the chief value component; or, where man-made fiber represents the chief weight component and the chief value is not cotton, or wool, and if the wool component is not 17 percent or more by weight.

3. The specific limits and sub-limits below shall be established for products of Panama imported into the United States:

	April 1, 1987- March 31, 1988-	April 1, 1988- March 31, 1989-	April 1, 1989- March 31, 1990-
445/446/	170,000 Doz.	180,000 Doz.	185,000 Doz.
645/646			
(445/446)	(25,000 Doz.)	(25,250 Doz.)	(25,503 Doz.)

Flexibility Provisions

4. Carryover of shortfall from the preceding Agreement period specific limit may be used as available in an amount of up to 10 percent of the receiving Agreement period specific limit. Carryforward (borrowing a portion of the corresponding limit from the succeeding Agreement period) may be used in an amount of up to 5 percent of the receiving Agreement period specific limit.

The succeeding Agreement period specific limit will be adjusted downward by the amount of carryforward used. The combination of carryover and carryforward shall not exceed 10 percent of the receiving Agreement period specific limit. If this provision is utilized, the sub-limit shall be adjusted accordingly for carryover and carryforward.

Overshipment Charges

5. (A) Exports from Panama in excess of authorized levels in any Agreement period may be denied entry into the United States. Any such shipments denied entry into the United States may be permitted entry in the succeeding Agreement period and charged to the applicable limit. The Government of the United States shall inform the Government of Panama of any such charges.

(B) Exports from Panama in excess of authorized limits in any Agreement period will, if entered into the United States during that Agreement period, be charged to the applicable limit in the succeeding Agreement period.

(C) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

Spacing Provisions

6. The Government of Panama shall use its best efforts to space exports to the United States within each category evenly throughout each Agreement period, taking into consideration normal seasonal factors.

U.S. Assistance in Implementation of the Limitation Provisions

7. The Government of Panama shall administer its export control system under this Agreement. The Government of the United States may assist the Government of Panama in implementing the provisions of this Agreement by controlling imports, by the date of export, of textiles and textile products covered by this Agreement.

Exchange of Data

8. (A) The Government of the United States shall promptly supply the Government of Panama with statistics on monthly imports of wool and man-made fiber sweaters into the United States from Panama. The Government of Panama shall promptly supply the Government of the United States with statistics on monthly exports of wool and man-made fiber sweaters from Panama to the United States. Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement.

(B) The Government of the United States shall provide the Government of Panama on request with technical assistance to upgrade and simplify existing data-gathering procedures.

Mutually Satisfactory Administrative Arrangements

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

Consultation on Implementation Questions

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

Right to Propose Revisions to the Agreement

11. The Government of the United States and the Government of Panama may at any time propose revisions in the terms of this 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. The

Agreement is subject to both parties being free to request, at any time, a review and revisions to this Agreement in light of successor international arrangements including, if appropriate, a review and revisions regarding fibers other than cotton, wool and man-made fiber.

Consultations in Case of Inequity Vis-A-Vis a Third Country

12. If either Government considers that as a result of any provisions of this Agreement, it is being placed in an inequitable position in relation to a third country, either Government may request consultations with the other with a view to taking appropriate remedial actions, such as a reasonable modification of this Agreement.

Provision for Textile Agreements Harmonized Commodity Code

13. Both parties recognize that adoption by the Government of the United States of the Harmonized Commodity Code may result in some changes in the United States category system of textile products as presently 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 Panama will consult with a view toward reaching a satisfactory resolution of issues concerning categories covered by this Agreement. The Government of Panama recognizes that, should

there be no resolution in such consultations, the Government of the United States reserves its right to make such adjustments to the Annexes as necessary to bring it into conformity with the new category system and with the Harmonized Commodity Code. The intent of this conversion on the part of the Government of the United States is solely to align the current category system and limits with the Harmonized Commodity Code; it is not to diminish or alter overall trade in textiles and apparel with Panama.

(A) Consultations under this provision shall be conducted no later than 90 days before final adoption of the Harmonized Commodity Code by the Government of the United States or an adjusted time schedule as mutually agreed.

(B) Changes in the implementation and interpretation of this Agreement (e.g. changes in practices, regulations, procedures, categories, etc.) which would effectively alter the balance of rights and obligations between the two parties, affect the economic content of this Agreement,

impinge upon the ability of either party to benefit completely from this Agreement, or result in a disruption of trade, will normally be avoided. The party initiating a change relevant to this Agreement will make every effort to consult with the other party before such actions affect trade between Panama and the United States of America, with a view toward making appropriate adjustments in this Agreement. In the event such consultations are not feasible prior to implementation of any change, both parties agree to consult at the request of either party as soon as possible, and will seek to arrive at an agreeable solution within 30 days of the request for consultation.

Customs Cooperation

14. Panamanian authorities shall cooperate with U.S. Customs when necessary in conducting investigations by:

- (I) Helping to secure relevant documents, correspondence and reports in Panama;
- (II) Facilitating impromptu plant visits by U.S. officials accompanied by Panamanian officials; and
- (III) Providing for personal interviews designed to obtain needed facts.

Exchange of Information

15. Each Government agrees to supply promptly any information reasonably believed to be necessary to the enforcement of this Agreement requested by the other Government.

Right to Terminate the Agreement

16. 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 Panama, this Note and Your Excellency's Note of confirmation on behalf of the Government of Panama shall constitute an Agreement between our two Governments.

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

PANAMA NOTE

Republic of Panama

Ministry of Foreign Relations

Panama City 4, Panama

The Ministry of Foreign Relations of the Republic of Panama, United States and Canada Division, presents its compliments to the Embassy of the United States of America and refers to the Embassy's note No. 057 of August 13, 1987 in which the United States Government proposes to the Government of the Republic of Panama the establishment of a bilateral agreement on wool and man-made fiber sweaters, which is explained in detail in the aforementioned note.

In this regard, the Ministry of Commerce and Industries, in note No. DM-1039-87 of September 29, 1987, confirmed its acceptance of the aforementioned agreement and, therefore, the Government of the Republic of Panama hereby issues an affirmative response to the Embassy's note No. 057 of August 13, 1987.

The Ministry of Foreign Relations, United States and Canada Division, avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Panama City, October 3, 1987