
Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between the United States and Mexico

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with Mexico for the period 1 January 1988 to 31 December 1991.

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

¹The previous bilateral agreement, extension and amendments are contained in COM.TEX/SB/441, 618, 643, 749, 796, 1018, 1019, 1020, 1183, 1230 and 1313.

²See COM.TEX/SB/35, Annex B

³For the TSB's observation on this notification see COM.TEX/SB/1395.

* English only/Anglais seulement/Inglés solamente

UNITED STATES AND MEXICO SIGN NEW
BILATERAL TEXTILE AGREEMENT

The United States and Mexico exchange letters dated February 13, 1988 to establish a new bilateral textile Agreement. Texts of the letters follows.

UNITED STATES LETTER

The Government of the United States of America and the Government of the United Mexican States:

With reference to the Arrangement Regarding International Trade in Textiles, with annexes, done at Geneva on December 20, 1973 and extended by protocols adopted respectively on December 14, 1977, December 22, 1981 and July 31, 1986, at Geneva (hereinafter referred to as the Arrangement) and to the Agreement between the United Mexican States and the United States of America concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products manufactured in the United Mexican States, with annexes, effected by exchange of notes dated February 26, 1979, as amended.

As a result of discussions between representatives of our two Governments held in Washington, D.C. from December 14-31, 1987 concerning a new bilateral Agreement,

Agree to the following:

Agreement Term

1. The term of this Agreement shall be from January 1, 1988 through December 31, 1991. Each "agreement year" shall be a twelve-month period beginning on January 1 and continuing through December 31.

Coverage of Agreement

Until adoption by the United States of the Harmonized Commodity Code (HCC), the following classification language will apply:

2. (A) Textiles and textile products covered by this Agreement are those summarized in Annex A1.

2. (B) The system of categories and the rates of conversion into square yards equivalent (SYE) listed in Annex A1 shall apply in implementing the Agreement.

2. (C) Tops, yarns, piece goods, madeup articles, garments, and other textile manufactured products which derive their chief characteristics from their textile components as described below are subject to this agreement. 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. Products covered by this paragraph but not in chief value of cotton, 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 with wool and/or man-made fibers in the aggregate equal or exceed 50 percent by weight and the cotton component equals or exceeds the weight of each of the total wool and/or 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 not cotton or wool as described in (i) or (ii) above and containing 50 percent or more by weight of man-made fiber, or if man-made fiber in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers and the man-made fiber component exceeds the weight of the total wool and/or total cotton component.

Upon adoption by the United States of the Harmonized Commodity Code (HCC), the following classification language will apply:

2. (A) Textiles and textile products covered by this Agreement are those summarized in Annex A2.

2. (B) The system of categories and the rates of conversion into square meters listed in Annex A2 shall apply in implementing the Agreement.

2. (C) Tops, yarns, piece goods, madeup articles, garments and other textile manufactured products, (being products which derive their chief characteristics from their textile components) of cotton, wool, and man-made fibers, or blends thereof, in which any or all of those fibers in combination represent the chief weight of the product, are subject to this Agreement. Components of an article which are not considered relevant to the classification under the General Rules of Interpretation of the Legal Notes to Section XI of the Harmonized System are likewise to be disregarded here.

For the purposes of this Agreement, textile products covered by this paragraph shall be classified as:

(i) Cotton textiles if the product is in chief weight of cotton, or if cotton with wool and/or man-made fibers in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fiber components, unless:

the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.

(ii) Wool textiles, if the product is in chief weight of wool, or in the case of products which are chief weight of silk or non-cotton vegetable fibers, wool exceeds 17 percent by weight of all fibers.

(iii) Man-made fiber textiles if the product is in chief weight of man-made fibers, or if the man-made fibers in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the man-made fiber component exceeds the weight of the total wool and/or cotton component, unless:

(a) the product is knitted or crocheted apparel in which wool equals or exceeds 23 percent by weight of all fibers, in which case the product will be a wool textile; or

(b) the product is apparel, not knitted or crocheted, in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile;

(c) the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.

Coverage under this paragraph is intended to be identical with the terms of Article 12 of the Arrangement regarding International Trade in Textiles and in conformance with paragraph 24 of the July 31, 1986, Protocol of Extension. In the event of a question

regarding whether a product is covered by this Agreement by virtue of being in chief weight of cotton, wool, or man-made fiber, the chief value of the fibers may be considered.

Special Regime

3. The apparel and madeup categories subject to specific limits under Annexes B1 and B2 are subject to a Special Regime to the extent specified in Annexes B1 and B2. Under the Special Regime, these products must be assembled in the United Mexican States from fabrics wholly formed and cut in the United States. Apparel and madeup exports qualifying for entry into the United States under the Special Regime also shall be subject to the certification requirements set forth in the visa arrangement, as it will be amended, between the Governments of the United Mexican States and the United States. The procedures are those generally agreed in the Memorandum of Understanding of December 31, 1987. The United States Government will provide as soon as possible to the Government of the United Mexican States the procedures to be implemented (the visa arrangement will accordingly be amended to include these procedures.)

Merged Categories

4. For purpose of this Agreement, the following categories are merged and treated as single categories and sub-categories as indicated:

Categories Merged	Designation in Agreement
300,301,607pt*	300/301/607pt*
336,636	336/636
337,637	337/637
338,339,638,639	338/339/638/639
340,640	340/640
341,641	341/641
342,642	342/642
347,348	347/348
349,649	349/649
351,651	351/651
352,652	352/652
647,648	647/648
604-0,607-0	604-0/607-0

*pt = TSUSA 310.6034
(current classification number)

Flexibility Adjustments

5. Commencing with the first agreement year and during the remaining term of the Agreement, the Government of the United Mexican States shall limit annual exports from Mexico to the United States of cotton, wool, and man-made fiber textiles and textile products to:

5. (A) The specific limits or sublimits set out in Annexes B1 or B2, as such limits may be adjusted in accordance with paragraphs 5 and 6. The limits set out in Annexes B1 or B2 do not include any adjustments permitted under paragraphs 5 and 6. Exports are subject to limits or levels for the year in which exported.

5. (B) The designated consultation levels set out in Annexes C1 or C2, and the minimum consultation levels as set out in paragraph 7.

5. (C) During any agreement year any specific limit or sublimit set out in Annexes B1 or B2 may be increased by not more than 3 percent (swing), with the exception of the broadwoven fabric limit and sublimits.

5. (D) Adjustments made to those levels in Annexes B1 and B2, pursuant to subparagraph 5(C) are in addition to those pursuant to paragraph 6.

6. (A) In any agreement year, in addition to any adjustments pursuant to paragraph 5, exports may exceed by a maximum of 11 percent any specific limit set out in Annexes B1 or B2 by allocating to such limit for that agreement year an unused portion ("shortfall") 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:

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

(ii) 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 last agreement year; carryforward shall not be available for category 604-A in the first agreement year.

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

(iv) Carryover of shortfall (as defined in subparagraph 6(B)) shall be applied to any specific limit or sublimit following notice given by the Government of the United Mexican States, and confirmation by the Government of the United States of America that sufficient shortfall exists. If the Government of the United States of America believes sufficient shortfall does not exist, it will promptly provide data to support that belief. If substantial statistical differences exist between the import and export data upon which shortfall for a given agreement period is computed, the parties shall work to resolve these differences as soon as possible.

6.(B) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products of Mexican origin 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 limit or sublimit set out in Annexes B1 or B2, as decreased pursuant to paragraphs 5 and 6, or adjusted downwards for overshipments or other mutually agreed upon amendments. In the agreement year following the shortfall, such exports from the United Mexican States to the United States of America may be permitted to exceed the applicable specific limit or sublimits, subject to conditions set forth above in subparagraph 6(A), by carryover of shortfall in the following manner:

(i) the carryover applied shall not exceed the amount of shortfall in any applicable specific limit or sublimit;

(ii) the shortfall shall be used in the same category or sub-category in which the shortfall occurred.

6.(C) 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.

6.(D) The limits referred to in this paragraph are without any adjustment under this paragraph or under paragraph 5 of this Agreement. The total adjustment under this paragraph shall be in addition to the adjustments permitted under paragraph 5.

Consultation Levels

7.(A) Categories subject to designated consultation levels are listed in Annexes C1 or C2. Apparel categories not given specific limits or sublimits or designated consultation levels (DCLs) are subject to minimum consultation levels (MCLs) of 100,000 SYE for wool apparel products and 700,000 SYE for other apparel products. The Government of the United Mexican States shall limit exports to the United States of America in the category or product in question to the existing consultation levels. In the event the Government of the United Mexican States wishes to permit exports to the United States of America in any category in excess of an applicable consultation level during any agreement year, the Government of the United Mexican States shall request consultations with the Government of the United States of America, which shall respond within 30 days. An exchange of letters will confirm agreement on any new level that may be reached between the Government of the United States and the Government of the United Mexican States.

7.(B) In order to preserve current access levels under the minimum consultation level system when the Harmonized Commodity Code is implemented by the United States, the minimum consultation levels shall be equal in dozens or dozens of pairs to the level in dozens or dozens of pair under the current system of square yards equivalent conversion. Levels in pounds shall be converted to kilograms at a rate of .45359237 kilograms per pound and levels in square yards equivalent shall be converted to square meters equivalent at a rate of .83612736 square meters per square yard.

7.(C) Non-apparel products not given specific limits or designated consultation levels, but included in the Annexes A1 or A2 of the Agreement shall be subject to the consultation mechanism.

Consultation Mechanism

8.(A) In the event that the Government of the United States of America believes that non-apparel textile products of Mexico listed in Annexes A1 or A2 of the Agreement that have entered the Customs territory of the United States and classified in any category or product not covered by specific limits or consultation levels are, due to market disruption or real risk 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 United Mexican States with a view towards eliminating market disruption or the real risk of market disruption, as defined in Annex A of the Arrangement. The

Government of the United States of America shall provide the Government of the United Mexican States at the time of the request for consultations with the reasons and justifications which in the view of the Government of the United States of America demonstrate such market disruption or real risk thereof, and which prompted the request, and with the latest data concerning elements of market disruption.

8.(B) The Government of the United Mexican States agrees to consult with the Government of the United States of America within 60 days of receipt of the request for consultations. Both Governments agree to make every effort to reach agreement on a mutually satisfactory level within 90 days of the receipt by the Government of the United Mexican States of the request, unless this period is extended by mutual agreement. In reaching a mutually satisfactory level, the two Governments will take into account the situation in the United States market and will act in accordance with:

- 1) the history of textile trade between the United Mexican States and the United States of America,
- 2) the previous permissible levels of trade,
- 3) the equitable treatment of the United Mexican States as compared with other suppliers of like textiles and textile products, and
- 4) if appropriate, the United Mexican States' position as a potential new entrant in respect of certain textiles and textile products.

8.(C) During the 90-day period, the Government of the United Mexican States will limit exports to the United States of America in the category or product subject to these consultations, whether direct or indirect, 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.

8.(D) If agreement is not reached on a mutually satisfactory level during the 90-day consultation period, the Government of the United States of America may establish annual specific limits for shipments of categories or products concerned for the duration of this agreement. The amount of the specific limits will not be less than the amount, as reported in U.S. General Import Statistics, entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20 percent for cotton and man-made product categories and six percent for wool product categories.

8.(E) The first term of any specific limit established under Subparagraph (D) will begin on the first day after the 90-day consultation period and end on the last day of the agreement period in which the specific limit was established. If a specific limit is established during an agreement period, that limit and any applicable swing or carryforward will be prorated to correspond to the period of time remaining in the agreement period in which the limit is established.

8.(F) Carryover will not be available in the first agreement period for which a specific limit is established under Paragraph 8(D). Swing for specific limits established under Paragraph 8(D) will be available as set out in Paragraph 5 of the Agreement. For each remaining agreement year the specific limit established under subparagraph 8(D) will be increased by 6 percent annual growth per year in the case of cotton and man-made fiber products and by one percent per year in the case of wool products.

Overshipment Charges

9. Exports from the United Mexican States in excess of authorized levels of each agreement year will, if allowed entry into the United States, be charged to the applicable level for the succeeding agreement year.

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.

Exchange of Data

11. The Governments of the United States of America and the United Mexican States recognize that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical questions. Upon request the Government of the United States of America shall promptly supply the Government of the United Mexican States with monthly data on imports of cotton, wool and man-made fiber textiles from the United Mexican States. Upon request the Government of the United Mexican States shall promptly supply the Government of the United States of America with monthly data on exports of cotton, wool and man-made fiber textiles to the United States of America. Each government agrees to supply promptly any other pertinent and available statistical data requested by the

other government, especially in consultations regarding paragraphs 8(B) and 8(C) with respect to Mexican export statistics.

Spacing Provision

12. The Government of the United Mexican States shall use its best efforts to space exports from the United Mexican States to the United States of America within each category or product evenly throughout each agreement year, taking into consideration normal seasonal factors.

Consultations in case of Inequity vis-a-vis a Third Country

13. If the Government of the United Mexican States considers that, as a result of a limitation specified in this Agreement, it is being placed in an inequitable position in relation to a third country, the Government of the United Mexican States 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. These consultations will begin within 30 days from the date of request, unless mutually agreed otherwise.

Implementation of Limitation Provisions

14. Both Governments shall take appropriate measures of export and import control to implement the limitation provisions of the Agreement. The Government of the United States of America may assist the Government of the United Mexican States in implementing the limitation provisions of the Agreement by controlling its imports of textiles covered by the Agreement.

Exports of Certified Handloomed Folklore Products

15. In conformity with Article 12, paragraph 3 of the Arrangement, this Agreement shall not apply to Mexican exports of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products, provided that such exports are properly certified under arrangements established between the two Governments pursuant to paragraphs 10 and 16 of this Agreement.

Correct Category/Quantity Visa System

16.(A) Both Governments agree to establish a correct category/correct quantity visa and certification system.

16.(B) Properly marked commercial samples valued at U.S. 250 dollars or less, and items for the personal use of the importer and not for resale do not require a visa for entry into the United States and are not subject to the quantitative limits under the Agreement.

Consultation on Implementation Questions

17. The Government of the United States of America and the Government of the United Mexican States agree to consult, upon request of either Government, 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 to 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.

18. The two Governments agree to undertake a major review of this Agreement by June 30, 1989.

Article 3 Procedures

19. During the term of the Agreement, the Government of the United States of America will not apply the provisions of Article 3 of the Arrangement to any textile or apparel product covered by the Agreement.

Agreement Circumvention

20.(A) Subject to domestic laws, and pursuant to Paragraph 16 of the July 31, 1986 Protocol of Extension to the Arrangement, and bearing in mind the provisions of Paragraph 10 of this Agreement, the competent authorities of the United Mexican States will cooperate with the competent authorities of the United States in ensuring that the Agreement is not circumvented by transshipment, rerouting, misdescription, under-invoicing or by whatever means. To this end the competent authorities of the United Mexican States and those of the United States of America shall assist each other in securing from parties documents, correspondence and reports considered relevant to investigations.

20.(B) Where information available to the Government of the United States of America or to the Government of the United Mexican States as a result of investigations, indicates that products subject to this Agreement have been transshipped, rerouted, misdescribed, under-invoiced or otherwise traded in circumvention of this Agreement, either Government may request consultations, with a view to taking remedial measures, including, as relevant:

1. an equivalent adjustment of the corresponding agreed levels established under the Agreement;

2. the prohibition, in accordance with any relevant domestic laws, whether on a temporary or permanent basis, of any person natural or juridical, in respect of whom there is evidence of the commission of fraud or other circumvention of this Agreement from participation in the Special Regime.

Such consultation shall take place and be concluded within 120 days of such request.

20.(C) In addition to the above, under the Special Regime, the Government of the United Mexican States and the Government of the United States of America shall assist each other by providing for plant visits and inspections by authorized personnel and by facilitating personal interviews designed to ascertain needed facts.

Provision for Harmonized Commodity Code

21. Both parties recognize that U.S. adoption of the Harmonized Commodity Code will result in some changes in U.S. categorization of textile products covered by current categories under this Agreement. If such changes are made during the term of this Agreement, the Government of the United States and Government of the United Mexican States will consult with the view of reaching a satisfactory resolution of issues concerning categories covered by this Agreement. The Government of the United States may make such adjustments to Annexes A1, A2, B1, B2, C1 and C2 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 will not be to diminish overall textile trade with the United Mexican States. The new situation shall have a neutral non-detrimental effect on the levels of access on Mexican textile goods into the United States market. In the event a dispute should arise concerning this issue, both Governments agree to immediately consult to prevent any disruption to trade flows and to find a mutually satisfactory solution.

Termination and Revision of the Agreement

22. 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.

Done in the city of Mazatlan, Sinaloa, February 13, 1988, in originals in English and Spanish.

For the United Mexican States

For the United States
of America

Hector Hernandez Cervantes
Secretary of Commerce and
Industrial Development

Clayton K. Yeutter
United States Trade
Representative

Attachments:

Annexes A1, A2, B1, B2, C1, C2

ANNEX A1

Interim New Category System Listings
[Enters into effect January 1, 1988]

200 Series - Cotton and Man-made Fiber Yarns and Fabrics /
300 Series - Cotton / 400 Series - Wool / 600 Series -
Man-made Fiber

Category	Description	Conversion Factor to square yards	Unit
YARN			
200	Yarn put up for retail sale, and sewing thread, C&MMF	3.6	LB
201	Other yarns, C&MMF	3.5	LB
300	Carded yarns, cotton	4.6	LB
301	Combed yarns, cotton	4.6	LB
400	Wool yarn	2.0	LB
604	Staple synthetic yarn	4.1	LB
607	Staple yarn	3.5	LB
FABRIC			
218	Yarns of different colors, C&MMF	1.0	SYD
219	Duck, C&MMF	1.0	SYD
220	Fabric of special weave, C&MMF	1.0	SYD
222	Knit fabric, C&MMF	6.7	LB
223	Non-woven fabrics, C&MMF	7.6	LB
224	Pile and tufted fabrics, C&MMF	1.0	SYD
225	Denim, C&MMF	1.0	SYD
226	Cheesecloth, batistes, etc., C&MMF	1.0	SYD
227	Oxford cloth, C&MMF	1.0	SYD
229	Special purpose fabric, C&MMF	7.4	LB
313	Cotton Sheeting	1.0	SYD
314	Cotton Poplin and broadcloth	1.0	SYD
315	Cotton Printcloth	1.0	SYD
317	Cotton Twills	1.0	SYD
326	Cotton Sateens	1.0	SYD
410	Woven fabrics of wool	1.0	SYD
414	Other wool fabrics	1.5	LB
611	Staple artificial fabric	1.0	SYD
613	Sheeting	1.0	SYD

614	Poplin and broadcloth	1.0	SYD
615	Printcloth	1.0	SYD
617	Twills and sateens	1.0	SYD
618	Cellulosic filament	1.0	SYD
619	Non-cellulosic filament, poly	1.0	SYD
620	Other non-cellulosic filament	1.0	SYD
621	Impression	7.8	LB
622	Filament glass fiber staple/filament	1.0	SYD
624	Man-made fiber fabric containing over 17 percent by weight wool	1.0	SYD
Staple/filament Combination:			
625	Poplin and broadcloth	1.0	SYD
626	Printcloth	1.0	SYD
627	Sheeting	1.0	SYD
628	Twills and sateens	1.0	SYD
629	Other MMF	1.0	SYD
APPAREL			
239	Cotton and man-made fiber Infants' sets	3.4	LB
330	Handkerchiefs	1.7	DOZ
331	Gloves and mittens	3.5	DPR
332	Hosiery	4.6	DPR
333	M and B suit-type coats	36.2	DOZ
334	Other M and B coats	41.3	DOZ
335	W, G and I coats	41.3	DOZ
336	Dresses	45.3	DOZ
337	Playsuits, sunsuits, etc.	23.0	DOZ
338	M and B knit shirts	7.2	DOZ
339	W, G and I knit shirts and blouses	7.2	DOZ
340	M and B shirts, not knit	24.0	DOZ
341	W, G and I shirts and blouses, not knit	14.5	DOZ
342	Skirts	17.8	DOZ
345	Sweaters	36.8	DOZ
347	M and B trousers, slacks, and shorts	17.8	DOZ
348	W, G and I trousers, slacks, and shorts	17.8	DOZ
349	Brassieres and body support- ing garments	4.8	DOZ
350	Dressing gowns, etc.	51.0	DOZ
351	Nightwear and pajamas	52.0	DOZ
352	Underwear	13.5	DOZ
353	M and B down-filled coats	41.3	DOZ
354	W, G and I down-filled coats	41.3	DOZ

359	Other cotton apparel	4.6	LB
431	Gloves and mittens	2.1	DPR
432	Hosiery	2.8	DPR
433	M and B suit-type coats	36.0	DOZ
434	Other M and B coats	54.0	DOZ
435	W, G and I coats	54.0	DOZ
436	Dresses	49.2	DOZ
438	Knit shirts and blouses	15.0	DOZ
440	Shirts and blouses, not knit	24.0	DOZ
442	Skirts	18.0	DOZ
443	M and B suits	4.5	NOS
444	W, G and I suits	4.5	NOS
445	M and B sweaters	14.88	DOZ
446	W, G and I sweaters	14.88	DOZ
447	M and B trousers, slacks and shorts	18.0	DOZ
448	W, G and I Trousers, slacks, and shorts	18.0	DOZ
459	Other wool apparel	2.0	LB
630	Handkerchiefs	1.7	DOZ
631	Gloves and mittens	3.5	DPR
632	Hosiery	4.6	DPR
633	M and B suit-type coats	36.2	DOZ
634	Other M and B coats	41.3	DOZ
635	W, G and I coats	41.3	DOZ
636	Dresses	45.3	DOZ
637	Playsuits, sunsuits, etc.	23.0	DOZ
638	M and B knit shirts	15.5	DOZ
639	W, G and I knit shirts and blouses	15.5	DOZ
640	M and B Shirts, not knit	24.0	DOZ
641	W, G and I shirts and blouses, not knit	14.5	DOZ
642	Skirts	17.8	DOZ
643	M and B suits	4.5	NOS
644	W, G and I suits	4.5	NOS
645	M and B sweaters	36.8	DOZ
646	W, G and I sweaters	36.8	DOZ
647	M and B trousers, slacks, and shorts	17.8	DOZ
648	W, G and I trousers, slacks, and shorts	17.8	DOZ
649	Brassieres and body Supporting garments	4.8	DOZ
650	Dressing gowns, etc.	51.0	DOZ
651	Nightwear and pajamas	52.0	DOZ
652	Underwear	13.5	DOZ
653	M and B down-filled coats	41.3	DOZ
654	W, G and I down-filled coats	41.3	DOZ
659	Other Man-made fiber apparel	7.8	LB

MADEUP AND MISCELLANEOUS TEXTILES

360	Pillowcases	1.1	NOS
361	Sheets	6.2	NOS
362	Bedspread and quilts	6.9	NOS
363	Terry and other pile towels	0.5	NOS
369	Cotton manufactures, not specified [nspf]	4.6	LB
464	Blankets	1.3	LB
465	Floor coverings	0.1	SFT
469	Wool manufactures, nspf	2.0	LB
665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	LB
669	Man-made fiber Manufactures, nspf	7.8	LB
670	Flat goods, handbags, luggage	2.0	LB

ANNEX B1
Specific Limits
(to take effect on January 1, 1988, and until adoption by the
United States of the Harmonized Commodity Code)

Category	1988 Base Level	Unit	Growth Rate
Broadwoven Fabrics(a)	44,000,000	SYD	6.0
(218)	(1,000,000)	SYD	
(313)	(22,000,000)	SYD	
(326)	(1,000,000)	SYD	
(611)	(2,000,000)	SYD	
(any other category)	(11,000,000)	SYD	
Cordage(b)	2,500,000	LBS	6.0
300/301/607pt	13,500,000	LBS	5.0
TSUSA 310.6034			
(300)	(7,500,000)	LBS	
334	70,000	DOZ	6.0
336/636	180,000	DOZ	6.0
341/641(c)	775,000	DOZ	2.0
(yarn-dyed)	(280,000)	DOZ	
435	10,000	DOZ	1.0
604-A	1,300,000	LBS	4.0
604-Other/607-Other	4,000,000	LBS	6.0
635	115,000	DOZ	6.0
669-P	1,300,000	LBS	6.0

(a) Categories 218 to 220, 225 to 227, 313 to 326, 611 to 617, and 625 to 629.

(b) In categories 201 (TSUSA 315.0500, 315.1000, 315.1500, 316.5500, 316.5800 (current classification numbers)) and 669 (TSUSA 348.0065, 348.0075, 348.0565, 348.0575 (current classification numbers))

(c) 1987 overshipments of 100,000 dozen will be charged equally to each year from 1988 to 1991.

Special Regime

Category	1988 Base Level	Unit	Not Subject to Special Regime	Growth Rate
335	120,000	DOZ	25%	6.0
338/339/ 638/639	1,100,000	DOZ	50%	6.0
340/640	360,000	DOZ	25%	6.0
342/642	290,000	DOZ	20%	6.0
347/348	2,150,000	DOZ	13.5%	6.0
349/649	2,500,000	DOZ	20%	6.0
351/651	290,000	DOZ	15%	6.0

352/652	2,500,000	DOZ	45%	6.0
359-C	1,600,000	LBS	10%	6.0
369-Bags	2,500,000	LBS	15%	6.0
369-Uppers	3,350,000	LBS	15%	6.0
633	85,000	DOZ	10%	6.0
634	65,000	DOZ	15%	6.0
647/648	1,600,000	DOZ	10%	6.0
659-C	1,700,000	LBS	10%	6.0
659-S	500,000	LBS	10%	6.0
666	7,200,000	LBS	50%	6.0

ANNEX C1

Designated Consultation Levels (DCLs)
(to take effect on January 1, 1988, and until adoption by the
United States of the Harmonized Commodity Code)

Category	Base Level	Unit
.222	900,000	LBS
223	1,400,000	LBS
229	2,200,000	LBS
337/637	80,000	DOZ
359-0	300,000	LBS
363	5,500,000	NOS
369-D	400,000	LBS
369-0	400,000	LBS
410	475,000	SYD
433	11,000	DOZ
443	84,000	NOS
447	12,000	DOZ
621	200,000	LBS
632	750,000	DPR
659-H	350,000	LBS
659-0	1,500,000	LBS
669-0	650,000	LBS
670	5,500,000	LBS(a)

(a) Increased to 10,000,000 LBS for 1988.

Apparel Categories not listed above are subject to Minimum
Consultation Levels

ANNEX A2

New Category System under the Harmonized Commodity Code
[To enter into effect upon notification by the United States that it has adopted the Harmonized Commodity Code]

200 Series - Cotton and Man-made Fiber Yarns and Fabrics /
300 Series - Cotton / 400 Series - Wool / 600 Series -
Man-made Fiber

Category	Description	Conversion Factor to square meters	Unit
YARN			
200	Yarn put up for retail sale, and sewing thread, C&MMF	6.6	KG
201	Other yarns, C&MMF	6.5	KG
300	Carded yarns, cotton	8.5	KG
301	Combed yarns, cotton	8.5	KG
400	Wool yarn	3.7	KG
604	Staple synthetic yarn	7.6	KG
607	Staple yarn, MMF	6.5	KG
FABRIC			
218	Yarns of different colors, C&MMF	1.0	M2
219	Duck, C&MMF	1.0	M2
220	Fabric of special weave, C&MMF	1.0	M2
222	Knit fabric, C&MMF	12.3	KG
223	Non-woven fabrics, C&MMF	14.0	KG
224	Pile and tufted fabrics, C&MMF	1.0	M2
225	Denim, C&MMF	1.0	M2
226	Cheesecloth, batistes, etc., C&MMF	1.0	M2
227	Oxford cloth, C&MMF	1.0	M2
229	Special purpose fabric, C&MMF	13.6	KG
313	Cotton Sheeting	1.0	M2
314	Cotton Poplin and broadcloth	1.0	M2
315	Cotton Printcloth	1.0	M2
317	Cotton Twills	1.0	M2
326	Cotton Sateens	1.0	M2
410	Woven fabrics containing 36 percent or more by weight wool	1.0	M2
414	Other wool fabrics	2.8	KG
611	Staple artificial fabric, by weight, 85 percent or more	1.0	M2
613	Sheeting	1.0	M2
614	Poplin and broadcloth	1.0	M2

615	Printcloth	1.0	M2
617	Twills and sateens	1.0	M2
618	Cellulosic filament	1.0	M2
619	Non-cellulosic filament, poly	1.0	M2
620	Other non-cellulosic filament	1.0	M2
621	Impression	14.4	KG
622	Filament glass fiber	1.0	M2
624	Man-made fiber fabric, woven, containing more than 15 percent but not more than 36 percent wool	1.0	M2
	Staple/filament combination:		
625	Poplin and broadcloth	1.0	M2
626	Printcloth	1.0	M2
627	Sheeting	1.0	M2
628	Twills and sateens	1.0	M2
629	Other MMF	1.0	M2

APPAREL

239	Infants wear of cotton and man-made fiber	6.3	KG
330	Handkerchiefs	1.4	DOZ
331	Gloves and mittens	2.9	DPR
332	Hosiery	3.8	DPR
333	M and B suit-type coats	30.3	DOZ
334	Other M and B coats	34.5	DOZ
335	W and G coats	34.5	DOZ
336	Dresses	37.9	DOZ
337	Playsuits, sunsuits, etc.	20.9	DOZ
338	M and B knit shirts	6.0	DOZ
339	W and G knit shirts and blouses	6.0	DOZ
340	M and B shirts, not knit	20.1	DOZ
341	W and G shirts and blouses, not knit	12.1	DOZ
342	Skirts	14.9	DOZ
345	Sweaters	30.8	DOZ
347	M and B trousers, slacks, and shorts	14.9	DOZ
348	W and G trousers, slacks, and shorts	14.9	DOZ
349	Brassieres and body support- ing garments	4.0	DOZ
350	Dressing gowns, etc.	42.6	DOZ
351	Nightwear and pajamas	43.5	DOZ
352	Underwear	9.2	DOZ
353	M and B down-filled coats	34.5	DOZ

354	W and G down-filled coats	34.5	DOZ
359	Other cotton apparel	8.5	KG
431	Gloves and mittens	1.8	DPR
432	Hosiery	2.3	DPR
433	M and B suit-type coats	30.1	DOZ
434	Other M and B coats	45.1	DOZ
435	W and G coats	45.1	DOZ
436	Dresses	41.1	DOZ
438	Knit shirts and blouses	12.5	DOZ
439	Infants' wear	6.3	KG
440	Shirts and blouses, not knit	20.1	DOZ
442	Skirts	15.0	DOZ
443	M and B suits	3.76	NOS
444	W and G suits	3.76	NOS
445	M and B sweaters	12.4	DOZ
446	W and G sweaters	12.4	DOZ
447	M and B trousers, slacks and shorts	15.0	DOZ
448	W and G trousers, slacks, and shorts	15.0	DOZ
459	Other wool apparel	3.7	KG
630	Handkerchiefs	1.4	DOZ
631	Gloves and mittens	2.9	DPR
632	Hosiery	3.8	DPR
633	M and B suit-type coats	30.3	DOZ
634	Other M and B coats	34.5	DOZ
635	W and G coats	34.5	DOZ
636	Dresses	37.9	DOZ
637	Playsuits, sunsuits, etc.	17.8	DOZ
638	M and B knit shirts	15.0	DOZ
639	W and G knit shirts and blouses	12.5	DOZ
640	M and B shirts, not knit	20.1	DOZ
641	W and G shirts and blouses, not knit	12.1	DOZ
642	Skirts	14.9	DOZ
643	M and B suits	3.76	NOS
644	W and G suits	3.76	NOS
645	M and B sweaters	30.8	DOZ
646	W and G sweaters	30.8	DOZ
647	M and B trousers, slacks, and shorts	14.9	DOZ
648	W and G trousers, slacks, and shorts	14.9	DOZ
649	Brassieres and body supporting garments	4.0	DOZ

650	Dressing gowns, etc.	42.6	DOZ
651	Nightwear and pajamas	43.5	DOZ
652	Underwear	13.4	DOZ
653	M and B down-filled coats	34.5	DOZ
654	W and G Down-filled coats	34.5	DOZ
659	Other Man-made fiber apparel	14.4	KG

MADEUP AND MISCELLANEOUS TEXTILES

360	Pillowcases	0.9	NOS
361	Sheets	5.2	NOS
362	Bedspread and quilts	5.8	NOS
363	Terry and other pile towels	0.4	NOS
369	Cotton manufactures, not specified [nspf]	8.5	KG
464	Blankets	2.4	KG
465	Floor Coverings	1.0	M2
469	Wool manufactures, nspf	3.7	KG
665	Floor coverings	1.0	M2
666	Other furnishings	14.4	KG
669	Man-made fiber manufactures, nspf	14.4	KG
670	Flat goods, handbags, luggage	3.7	KG

ANNEX B2
Specific Limits (SLs)
(to take effect upon adoption by the United States of the
Harmonized Commodity Code)

Category	1988 Base Level	Unit	Growth Rate
Broadwoven Fabrics (a)	36,789,604	SME	6.0
(218)	(836,127)	SME	
(313)	(18,394,802)	SME	
(326)	(836,127)	SME	
(611)	(1,672,255)	SME	
(any other category)	(9,197,401)	SME	
Cordage (b)	1,133,981	KG	6.0
300/301/607 pt. HS Tariff No.:	6,123,497	KG	5.0
5509530030			
5509530060			
(300)	(3,401,943)	KG	
334	70,000	DOZ	6.0
336/636	180,000	DOZ	6.0
341/641 (c)	775,000	DOZ	2.0
(yarn-dyed)	(280,000)	DOZ	
435	10,000	DOZ	1.0
604-A	589,670	KG	4.0
604-Other/607-Other	1,814,369	KG	6.0
635	115,000	DOZ	6.0
669-P	589,670	KG	6.0

(a) Categories 218 to 220, 225 to 227, 313 to 326, 611 to 617 and 625 to 629.

(b) In categories 201 and 669 (current classification numbers under the Harmonized Commodity Code).

(c) 1987 overshipments of 100,000 dozen will be charged equally to each year from 1988 to 1991.

Special Regime

Category	1988 Base Level	Unit	Not Subject to Special Regime	Growth Rate
335	120,000	DOZ	25%	6.0
338/339/ 638/639	1,100,000	DOZ	50%	6.0
340/640	360,000	DOZ	25%	6.0

342/642	290,000	DOZ	20%	6.0
347/348	2,150,000	DOZ	13.5%	6.0
349/649	2,500,000	DOZ	20%	6.0
351/651	290,000	DOZ	15%	6.0
352/652	2,500,000	DOZ	45%	6.0
359-C	725,748	KG	10%	6.0
369-Bags	1,133,981	KG	15%	6.0
369-Uppers	1,519,534	KG	15%	6.0
633	85,000	DOZ	10%	6.0
634	65,000	DOZ	15%	6.0
647/648	1,600,000	DOZ	10%	6.0
659-C	771,107	KG	10%	6.0
659-S	226,796	KG	10%	6.0
666	3,265,865	KG	50%	6.0

ANNEX C2
Designated Consultation Levels (DCLs)
(to take effect upon adoption by the United States of the
Harmonized Commodity Code)

Category	Base Level	Unit
222	408,233	KG
223	635,029	KG
229	997,903	KG
337/637	80,000	DOZ
359-0	136,078	KG
363	5,500,000	NOS
369-D	181,437	KG
369-0	181,437	KG
410	397,160	SME
433	11,000	DOZ
443	84,000	NOS
447	12,000	DOZ
621	90,718	KG
632	750,000	DPR
659-H	158,757	KG
659-0	680,389	KG
669-0	294,835	KG
670	2,494,758	KG(a)

(a) Increased to 4,535,924 KG for 1988.

Apparel Categories not listed above are subject to Minimum Consultation Levels

UNITED MEXICAN STATES LETTER

The United Mexican States letter is the spanish version of the text of the Agreement which agrees in all substantive respects with the United States letter (the English version).