

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

COM.TEX/SB/1406*

27 July 1988

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral agreement between the United States and the USSR

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with the USSR for the period 1 August 1987 to 31 December 1988.

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.

*English only/Anglais seulement/Inglês solamente

UNITED STATES AND THE UNION OF SOVIET REPUBLICS
SIGN NEW BILATERAL TEXTILE AGREEMENT

The United States and the Union of the Soviet Republics exchanged notes on December 4, 1987 to establish a new bilateral textile agreement. Texts of the notes follow:

UNITED STATES NOTE

Washington, DC
December 4, 1987

Dear Mr. Kozhevnikov:

I have the honor to refer to discussions between representatives of our two Governments recently held in Washington, D.C., and Moscow. As a result of those discussions, I have the honor to propose the following agreement relating to trade in certain textile products between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics (hereinafter referred to as the Agreement).

AGREEMENT TERM

1. The term of the Agreement shall be from August 1, 1987 to December 31, 1988. The first "agreement period" shall be from August 1, 1987 to December 31, 1987. The second agreement period shall be from January 1, 1988 to December 31, 1988.

COVERAGE

2. The category of cotton textile products covered by the Agreement and the rate of conversion into square yards equivalents are set out in Annex A. For the purpose of the Agreement, and until adoption of the Harmonized Commodity Code by the U.S.A., textile products shall be classified as cotton textiles if wholly or in chief value cotton. Until adoption of the Harmonized Commodity Code by the U.S.A., products covered by this paragraph, but not in chief value cotton, shall be classified as 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. Upon adoption of the Harmonized Commodity Code by the U.S.A., textile products shall be classified as 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. For the purpose of the Agreement, categories 313, 315 and until adoption of the new U.S. category system parts of 320 are merged and treated as a single category 313/315/320 part (313/315 upon adoption of the new U.S. category system).

SPECIFIC LIMITS

3. During the term of the Agreement, the Government of the U.S.S.R. shall limit exports from the U.S.S.R. to the U.S.A. of the category of cotton textile products listed in Annex A, to the specific limits set forth in Annex B, as such limits may be adjusted in accordance with paragraph 4. Exports are subject to a limit for the period in which they are exported.

CARRYOVER/CARRYFORWARD

4. The extent to which any specific limit set out in Annex B may be exceeded in any agreement period by carryforward (borrowing a portion of the corresponding specific limit from the succeeding agreement period) and/or carryover (the use of unused yardage shortfall of the corresponding specific limit for the previous agreement period) is 11 percent, of which carryover shall not exceed 11 percent and carryforward shall not constitute more than 6 percent. However, no carryover shall be available in the first agreement period and no carryforward shall be available in the final agreement period. For the purpose of the the Agreement, a shortfall in a specific limit occurs when exports from the U.S.S.R. during any agreement period are less than the applicable specific limit set out in Annex B or when such exports are below the specific limits as adjusted.

IMPLEMENTATION

5. (A) The Government of the U.S.S.R. shall administer its export control system under the Agreement. The Government of the U.S.A. may assist the Government of the U.S.S.R. in implementing the limitation provisions of the Agreement.

(B) Cotton textile products exported from the U.S.S.R. in excess of authorized limits in any agreement period may be denied entry into the U.S.A. Any such shipments denied entry may be permitted entry into the U.S.A. and charged to the applicable limit in the succeeding agreement period.

(C) Exports from the U.S.S.R. in excess of the authorized limit in any agreement period, if allowed entry into the U.S.A. during that agreement period, will be charged to the applicable limit in the succeeding agreement period.

(D) The Government of the U.S.A. shall promptly inform the Government of the U.S.S.R. of any charges made pursuant to paragraphs 5 (B) and (C).

(E) Any action taken pursuant to paragraph 5 (B) and (C) above will not prejudice the rights of either Government regarding consultations.

SPACING PROVISIONS

6. The Government of the U.S.S.R. shall use its best efforts to space exports from the U.S.S.R. to the U.S.A. of the cotton textile products covered by the Agreement evenly throughout each agreement period, taking into account normal seasonal factors.

EXCHANGE OF INFORMATION AND DATA

7. (A) The competent bodies of the U.S.A. shall promptly supply the competent bodies of the U.S.S.R. with data on monthly imports of cotton textile products subject to the Agreement into the U.S.A. from the U.S.S.R.

(B) The competent bodies of the U.S.S.R. shall promptly supply the competent bodies of the U.S.A. with data on quarterly exports of cotton textile products subject to the Agreement from the U.S.S.R. to the U.S.A.

(C) The competent bodies of each country agree to supply promptly any information reasonably believed to be necessary to the enforcement of the Agreement requested by the other.

CONSULTATIONS ON IMPLEMENTATION

8. The Government of the U.S.A. and the Government of the U.S.S.R. agree to consult upon the request of the other on any questions arising in the implementation of the Agreement.

RIGHT TO PROPOSE REVISIONS TO THE AGREEMENT

9. Either Government may at any time propose revisions to the terms of the Agreement. Each Government agrees to consult promptly with the other about such proposals with a view to making such revisions to the Agreement or taking such other appropriate action as may be mutually agreed upon.

COOPERATION IN THE PREVENTION OF CIRCUMVENTION

10. The Government of the U.S.A. and the Government of the U.S.S.R. shall cooperate to avoid circumvention of the Agreement.

RIGHT TO TERMINATE THE AGREEMENT

11. Either Government may terminate the Agreement effective at the end of any agreement period by written notice to the other Government to be given at least ninety days prior to the end of such agreement period.

If the foregoing proposal is acceptable to the Government of the Union of Soviet Socialist Republics, this letter and a letter of acceptance on behalf of the Government of the Union of Soviet Socialist Republics shall constitute an Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics, effective August 1, 1987.

Sincerely,

Donald Steinberg
Chief, Textile Division
Bureau of Economic and Business
Affairs
U.S. Department of State

ANNEX A

<u>Category</u>	<u>Unit of Measure</u>	<u>Conversion Factor</u>
313/315/320-part Cotton sheeting and Printcloth	square yards	1:1

ANNEX B

<u>Category</u>	<u>First Agreement Period</u>	<u>Second Agreement Period</u>
313/315/ 320-part	<u>8/1/87-</u> <u>12/31/87</u>	<u>1/1/88-</u> <u>12/31/88</u>
	6 million square yards	23.5 million square yards

UNION OF SOVIET SOCIALIST REPUBLICS NOTE (USSR)

Washington, D.C.
1987

Dear Mr. Steinberg:

I have the honor to confirm receipt of your letter of in which you refer to the talks between representatives of our governments held in Washington and Moscow and in which you propose, on behalf of your government, a bilateral agreement relating to trade in certain textile products between the Union of Soviet Socialist Republics and the United States of America.

On the instructions of my government, I should like to inform you that the proposed bilateral Agreement, whose terms are set forth in your letter, is acceptable, and to confirm that your letter and this letter of acceptance shall constitute an Agreement between the Government of the Union of Soviet Socialist Republics and the Government of the United States of America effective August 1, 1987.

Respectfully yours,
O.V. Kozhevnikov
Business representative
of the USSR in the
United States