

# GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1517\*

15 December 1989

# TARIFFS AND TRADE

Special Distribution

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4

#### Amendment of the Bilateral Agreement between the United States and Romania

The Textiles Surveillance Body received a notification from the United States of an amendment of its two agreements with Romania. These amendments, resulting from the application of the Harmonized System, concerned the replacement of Categories 337 and 637 by new Category 237, and changes<sup>1</sup> in certain administrative aspects of implementing the agreements.

The TSB, pursuant to its procedures regarding notifications made 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 bilateral wool and man-made fibre agreement and previous amendment are contained in COM.TEX/SB/1053, 1109, 1327, 1451 and 1516. The cotton agreement and an amendment are contained in COM.TEX/SB/1452 and 1516.

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

<sup>3</sup>For the TSB's observation this notification see COM.TEX/SB/1523.

\* English only/Anglais seulement/Inglés solamente

27 February 1989

United States and Romania Amend  
Bilateral Textile Agreement

The United States and Romania amended their bilateral textile agreement by exchange of notes dated 28 November 1988 and 12 January 1989. Texts of the letters follow.

United States Note

Bucharest  
28 November 1988

The Embassy of the United States presents its compliments to the Government of the Socialist Republic of Romania and has the honour to refer to the agreement between the Socialist Republic of Romania and the United States relating to the trade in cotton textiles, with annexes, effected by exchange of notes dated 28 January and 31 March 1983 as amended (the Cotton Agreement) and to the Amendment to the Cotton Agreement effected by exchange of notes dated 30 and 31 December 1987 concerning adoption of the Harmonized System by the United States (the Cotton Amendment). The Embassy has the further honour to refer to the agreement between the Socialist Republic of Romania and the United States relating to trade in wool and man-made fibre textiles and textile products, with Annexes, effected by exchange of notes dated 7 and 16 November 1984, as amended (the Wool and Man-made Fibre Agreement), and to the amendment to the wool and man-made fibre agreement concerning adoption of the Harmonized System by the United States, which was presented to your Government in March and is still awaiting a formal response (the pending Wool and Man-made Fibre Amendment).

The Embassy also refers to the visa system covering exports of cotton, wool and man-made fibre textiles and textile products from the Socialist Republic of Romania to the United States effected by exchange of letters dated 13 October 1982 and 25 August 1983 (the Visa System).

As indicated in a recent letter to your Government, the Government of the United States will implement the Harmonized System on 1 January 1989. Notwithstanding the current status of the pending Wool and Man-Made Fibre Amendment, the Government of the United States plans to implement the Harmonized System on schedule. Therefore, those provisions of both the Cotton and the pending Wool and Man-made Fibre Amendments awaiting adoption of the Harmonized System by the United States will take effect on 1 January. In order to facilitate successful implementation of the Harmonized System, the Embassy would like to take this opportunity to describe how the Harmonized System will affect textile products from Romania that are exported to the United States on or after 1 January 1989.

I. All textile shipments subject to United States import quotas which are exported in 1988 and which arrive in the United States on or after 1 January 1989, will be charged to the appropriate unfilled 1988 quota

limit. All textile shipments, whether or not subject to import quotas, that are exported in 1989 must conform to the Harmonized System standards.

II. The agreement is a calendar-year agreement and all 1988 overshipments will be charged to the applicable 1989 Harmonized System category, regardless of the arrival date.

III. With regard to the visa system covering exports of textile products from Romania to the United States, all goods exported on or after 1 January 1989 must be covered by a visa showing the correct Harmonized System category number and quantity. In addition, please note that under the Harmonized System all measurements must be in metric units rather than in imperial units.

IV. All provisions of the Cotton Amendment and the pending Wool and Man-Made Fibre Amendment regarding adoption of the Harmonized System by the United States will take effect 1 January 1989. This includes Annexes A(2), B(2) and C(2) which contain lists of categories covered with conversion factors, specific limits, and Designated Consultation Levels under the Harmonized System.

V. Playsuits in Categories 337 and 637:

(a) Harmonized System regulations require new treatment of two-piece playsuits in Categories 337 and 637 for customs purposes. Currently, United States Customs classifies certain two-piece children's garments as one garment under either Category 337 or Category 637. These garments are treated as an entirety because the two pieces are physically connected. A common construction of these garments is a 100 per cent cotton trouser or short along with an acrylic or man-made fibre/cotton blend top. United States Customs now classifies the whole garment either in 337 or 637 based on an "essential character" determination.

(b) Under the Harmonized System, United States Customs has determined that it must classify the tops and bottoms of these two-piece garments separately for tariff and quota purposes. Breakouts in the tariff schedule are being obtained to classify such components as "imported as parts of playsuits", thereby maintaining the playsuit designation.

(c) But, for a playsuit, one-half unit could be charged to Category 337 and the other half unit charged to 637. This would require two separate visas for a single shipment of playsuits. In addition, United States Customs would have to charge playsuit shipments to limits in two separate categories. Currently, United States Customs can charge the whole unit to either 337 or 637. These difficulties could lead to problems with the current quota limits.

VI. The Embassy, on behalf of the Government of the United States, has the honour to propose, in accordance with the situation described in Part V above, the following amendments to the Cotton Agreement and the Wool and Man-made Fibre Agreement.

(a) Effective 1 January 1989, Annex A(2) in the Cotton Agreement shall be amended to delete Category 337.

(b) Effective 1 January 1989, Annex A(2) in the Wool and Man-Made Fibre Agreement shall be amended by deleting Category 637.

(c) New Category 237 covers cotton and man-made fibre playsuits, sunsuits, wash-suits, rompers, creepers, etc., hitherto classified under old Categories 337 and 637. Effective 1 January 1989, Annex A(2) in the Cotton Agreement shall be amended to add Category 237 as follows:

Category	Description	Conversion factor to square metres	Units
237	Playsuits, sunsuits, etc.	19.2	doz.

(d) Effective 1 January 1989, Annex C(2) in the Cotton Agreement shall be amended as follows:

Category	Unit	Type of limit	1989 limit
237	doz.	DCL	61,000

This Note and a note of confirmation on behalf of the Government of Romania shall constitute an amendment (concerning playsuits) to the Agreement.

The Embassy of the United States avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Socialist Republic of Romania the assurances of its highest consideration.

Embassy of the United States  
Bucharest, 28 November 1988

Romania Note

The Ministry of Foreign Trade and International Economic Co-operation of the Socialist Republic of Romania presents its compliments to the Embassy of the United States and has the honour to acknowledge receipt of the Embassy's Verbal Note No. 413/1988 in which the Embassy proposes certain amendments to the Cotton Agreement and the Wool and Man-Made Fibre Agreement in effect between our countries.

We hereby confirm that the amendments proposed by the American side are acceptable to the Government of the Socialist Republic of Romania.

Consequently, your Verbal Note No. 413/1988 and this Note of Confirmation on behalf of the Government of the Socialist Republic of Romania will constitute an amendment to the Cotton Agreement and the Wool and Man-Made Fibre Agreement, as of 1 January 1989.

The Ministry of Foreign Trade and International Economic Co-operation of the Socialist Republic of Romania avails itself of this opportunity to renew to the Embassy of the United States the assurances of its highest consideration.

Ministry of Foreign Trade  
and International Economic  
Co-operation of the Socialist  
Republic of Romania

Bucharest, 12 January 1989