

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX.SB/1521*
15 December 1989

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Amendment of the Bilateral Agreement between the United States and Haiti

The Textiles Surveillance Body received a notification from the United States of a modifications in its agreement with Haiti resulting from the implementation of the Harmonized Commodity Code by the United States.¹

The notification was made in accordance with a request made by the Textiles Committee that agreements concluded with non-participants in the MFA be notified. The TSB is forwarding the text of the notification to participating countries for their information.

¹The bilateral agreement and a previous amendment are contained in COM.TEX/SB/1254 and 1324.

*English only/Anglais seulement/Inglés solamente

May 19, 1989

THE UNITED STATES AND THE REPUBLIC OF HAITI
AMEND BILATERAL TEXTILE AGREEMENT

The United States and The Republic of Haiti exchanged notes to amend the bilateral textile agreement in force through December 31, 1989. Texts of the notes follow:

UNITED STATES NOTE

Port-au-Prince, November 21, 1988

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Haiti and has the honor to refer to note no. 442 dated September 9, 1988 by which the Embassy proposed an amendment to the Bilateral Textile Agreement, as amended, and amendments to the Visa Arrangement signed by our two governments.

The Embassy to date has received no reply. The proposed amendments would extend the benefits of the special access program to woven apparel products assembled in Haiti from fabric parts formed and cut in the United States and then subject to bleaching, acid washing, stonewashing or permapressing after assembly.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs of the Republic of Haiti the assurances of its highest regard.

Embassy of the United States of America,
Port-au-Prince, November 21, 1988.

No. 520

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Haiti and has the honor to refer to the agreement relating to the trade in textiles and apparel between the United States and Haiti effected by exchange of notes dated September 26 and September 30, 1986. The Embassy has the further honor to refer to the amendment to the agreement effected by exchange of notes dated March 15, May 12, June 27, and September 8, 1988, concerning adoption of the Harmonized System by the United States (the amendment) and to the Visa System effected by exchange of letters on September 26, 1986, covering exports to the United States of textiles and textile products (the Visa System).

In its notes the Ministry accepted the proposed changes to the agreement necessitated by the United States' implementation on January 1, 1989, of the Harmonized Commodity Code. The Ministry further proposed augmenting the designated consultation level for cotton and man-made fiber shirts in category 340/640. The Embassy has communicated its response to this proposal in a separate letter.

As stated in our recent letter, the Government of the United States will implement the Harmonized System on January 1, 1989. In order to facilitate successful implementation of the Harmonized System, the Embassy would like to describe how the Harmonized System will affect the treatment of textile products exported from Haiti to the United States on or after January 1, 1989.

I. All textile shipments subject to U.S. import quotas which are exported in 1988 and which arrive in the United States on or after January 1, 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. Of course, all goods, including textile goods, entering the U.S. on or after January 1, 1989 will be subject to the duty rates applicable under the Harmonized System.

II. The Agreement provides for calendar-year agreement periods that end on December 31. As such, 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 Haiti to the United States, all goods exported on or after January 1, 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 as provided for in annex A(2) of the amendment.

IV. All provisions of the amendment regarding the Harmonized System will take effect January 1, 1989. This includes annexes A(2) B, and C as well as paragraph 2 regarding classification language under the Harmonized System, paragraph 3 regarding Guaranteed Access Levels (G.A.L.S.), and paragraph 15 (C) regarding consultations.

V. Background on Proposed Amendment Concerning Playsuits:

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 percent cotton trouser or short along with an acrylic or man-made fiber/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. Nevertheless one-half unit of a playsuit 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. Proposed Amendment Concerning Playsuits:

A) Effective January 1, 1989, Annexes A (2), B and C shall be amended to delete categories 337 and 637.

B) New category 237 covers cotton and man-made fiber playsuits, sunsuits, washsuits, rompers, creepers etc., hitherto classified under old categories 337 and 637. Effective January 1, 1989, Annex A (2) shall be amended to add category 237 as follows:

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to Square Meters</u>	<u>Units</u>
237	Playsuits, sunsuits, etc.	19.2	Dozen

C) . Effective January 1, 1989, the Guaranteed Access Levels in Annex B shall be amended as follows:

<u>Category</u>	<u>Annual Level</u>
237	300,000 Dozen

D) Effective January 1, 1989, the Designated Consultation Levels in Annex C shall be amended as follows:

<u>Category</u>	<u>Annual Level</u>
237	160,000 Dozen

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

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs of the Republic of Haiti the assurances of its highest consideration.

Embassy of the United States of America,
Port-au-Prince, October 21, 1988.

No. 442

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Haiti and has the honor to refer 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"). The Embassy also has the honor to refer to the Bilateral Textile Agreement between the Government of the Republic of Haiti and the Government of the United States effected by an exchange of letters dated September 26, 1986 and September 30, 1986, as amended.

The Government of the United States wishes to extend the benefits of the special access program to woven apparel products assembled in Haiti from fabric parts formed and cut in the United States and then subject to bleaching, acid washing, stonewashing or permapressing after assembly. Such products are currently excluded from participation in the special access program because they do not qualify for entry into the United States under TSUSA item 807 (or USIS number 9800 under the Harmonized Commodity Code) by virtue of the additional processing operations performed after assembly. Recognizing that the use of fabric formed and cut in the United States meets the spirit of the special access program, notwithstanding the additional processing performed after assembly, the Government of the United States has the honor to propose the following amendment to paragraph 3 of the Bilateral Agreement, effective January 1, 1989, upon implementation by the United States of the Harmonized Commodity Code:

3. The categories in group WJ listed in Annex B are those which the Government of the Republic of Haiti intends to export to the United States under the Caribbean Basin Special Access Program. These products, which will be:

-- Assembled in Haiti of United States-formed fabrics, cut in the United States for re-export to the United States under contracts governed by USIS item number 9802.00.8010 under the Harmonized Commodity Code, or

-- Assembled in Haiti of United States-formed woven fabrics, cut in the United States and then subject to bleaching, acid washing, stonewashing, or permapressing in Haiti following assembly, for re-export to the United States under contracts governed by the statistical headnote under Chapter 62 of the Harmonized Commodity Code, as implemented by the Government of the United States requiring the use of the statistical prefix "R", are subject to the annual Guaranteed Access Levels (GALS) specified in annex B.

The Government of the United States has the further honor to propose the following amendments to the Visa Arrangement established between the Government of the Republic of Haiti and the Government of the United States by exchange of letters dated September 26, 1986 in order to bring that Arrangement into conformity with the revised Bilateral Textile Agreement.

Paragraph 13 of the Visa Arrangement shall be revised, effective January 1, 1989, upon implementation of the Harmonized Commodity Code by the Government of the United States, as follows:

13. (A) Each shipment of apparel or made-up products which have been assembled in Haiti wholly from components cut in the United States from United States-formed fabric, and which falls under tariff classification 9802.00.8010 of the USTS which is subject to the Guaranteed Access Level set out in annex B to the Agreement of September 26, 1986, shall be so certified by your government. This certification shall be presented to the U.S. Customs Service before entry, or withdrawal from warehouse, for consumption into the customs territory of the United States (the 50 states and Puerto Rico).

(B) Each shipment of woven apparel products which has been assembled in Haiti wholly from components cut in the United States from United States-formed fabric and has then been subject in Haiti to bleaching, acid washing, stonewashing or permapressing following assembly, which is subject to the Guaranteed Access Level set out in annex B to the Agreement of September 26, 1986, shall be so certified by your government. This certification shall be presented to the U.S. Customs Service before entry, or withdrawal from warehouse, for consumption into the customs territory of the United States (the 50 states and Puerto Rico).

Paragraph 16 of the Visa Arrangement shall be revised, effective January 1, 1989, upon implementation of the Harmonized Commodity Code by the Government of the United States, as follows:

16. A certification will not be issued in respect of a shipment of a product of United States-formed and cut fabric subject to USTS item number 9802.00.8010 under the Harmonized Commodity Code or subject to the statistical headnote under Chapter 62 of the Harmonized Commodity Code, as implemented by the Government of the United States requiring the use of the statistical prefix "H" unless it is accompanied by a shipper's declaration (form 17A-370P of successor document) being evidence of the required origin.

If the foregoing is agreeable to the Government of the Republic of Haiti, this note and the Ministry's note of confirmation shall constitute an agreement between our two governments.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs of the Republic of Haiti the assurances of its highest consideration.

Embassy of the United States of America,
Port-au-Prince, September 8, 1988.



U.S. CUSTOMS HEADNOTE TO CHAPTER 62 OF THE HARMONIZED SYSTEM GUIDELINES
GUIDANCE FOR IMPORTERS & GOVERNMENT OFFICIALS

"Certain garments of Chapter 62 assembled abroad from components cut in the United States which, after assembly have been subject to bleaching, stonewashing, acid washing, or permapressing abroad, may be eligible for entry under a special access program or special regime. Eligibility must be established under a bilateral agreement, and entry must be in compliance with procedures established by the committee for the implementation of textile agreements. The importer is required to identify such garments in the entry summary or withdrawal form by placing the symbol "H" as a prefix to the appropriate 10-digit chapter 62 item number."

Port-au-Prince, Haiti
September 7, 1988

No. 440

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Haiti and has the honor to refer to the Agreement between the United States of America and Haiti relating to trade in textiles and textile products effected by exchange of letters in Port-au-Prince on September 26, 1986 and to the Visa Arrangement signed on September 26, 1986.

The United States proposes to amend the Visa Arrangement by requiring that the quantity stated on the visa be listed in whole units (pounds, numbers, dozens, or square yards) appropriate to the category involved, under the existing category system; (kilograms, numbers, dozens, or square meters) appropriate to the category involved, under Harmonized System which will take effect on January 1, 1989. If the quantity exported exceeds one particular whole unit but is less than the next whole unit, visaed quantities will be rounded to the closest whole number. Half units will be rounded up. In the case where the exported unit is less than one unit, the shipment will be rounded upwards to one unit.

If the foregoing is acceptable to the Government of Haiti, then this note and your note of confirmation shall constitute an amendment to the Visa Arrangement between our two countries.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs of the Republic of Haiti the assurances of its highest consideration.

Embassy of the United States of America,
Port-au-Prince, September 7, 1988.



HAITI NOTE

The following note from the Ministry of Foreign Affairs of the Government of Haiti accepts the terms of the U.S. note.

HAITI NOTE

Le Ministère des Affaires Etrangères présente ses compliments à l'Ambassade des Etats-Unis d'Amérique en Haiti et, se référant à la Convention concernant le Commerce International des Textiles et aux Annexes faites à Genève le 20 décembre 1975 et prorogées par protocoles adoptés respectivement les 14 décembre 1977, 22 décembre 1981 et 31 juillet 1986, se référant également à l'Accord Textile conclu entre les deux pays par échange de lettres les 26 et 30 septembre 1986, a l'honneur de l'informer que le Gouvernement haïtien accepte les amendements proposés dans les notes 440-442-520-575-576 des 7 septembre 1986 - 8 septembre 1988 - 21 octobre et 21 novembre 1988 relatifs à l'adoption par les Etats-Unis d'Amérique du Système Harmonisé de nomenclature des Marchandises du S.H.

La République d'Haiti agréee que:

- 1.- A partir du 1er janvier 1989, date à laquelle l'Administration Américaine appliquera le Système Harmonisé de nomenclature, la classification des produits textiles, formant la base de l'accord sera conforme à l'Annexe de classement des fibres par l'appréciation du poids principal des fibres d'un article plutôt que la valeur principale des fibres.
- 2.- Pour confirmation, sont dûment acceptées toutes les modifications à apporter au paragraphe 2 du texte de l'accord bilatéral pour conformité avec les termes de l'article 12 de l'Arrangement Multifibre et en accord avec le paragraphe 24 du protocole d'extension du 31 juillet 1987.

- 3.- De même, sont acceptées les considérations émises à la seconde phrase du paragraphe 3 pour la validité sous application du SH des niveaux Gal spécifiés à l'Annexe B.
- 4.- L'addition du Paragraphe 15 (C) au texte de l'Accord est indispensable à l'aménagement des consultations sur les questions relatives à l'application du Système Harmonisé de Nomenclature.

En ce qui concerne la proposition d'amender les Annexes A2, B et C dans le but d'éliminer la catégorie 237 couvrant les vêtements de jeu (playsuits) en coton et ou synthétique, le Gouvernement Haitien accepte cet amendement et les niveaux proposés.

L'amendement proposé dans la note 575 du 21 novembre 1988 en vue d'étendre le bénéfice du GAL aux vêtements non tricotés assemblés en Haiti à partir de tissus fabriqués et coupés aux États-Unis et prêts à être blanchis, nettoyés à l'acide, délavés et pressés après assemblage rencontre l'agrément du Gouvernement Haitien.

Cette présente note annule la lettre EC 1156 du 23 décembre 1988 et constitue l'Accord du Gouvernement Haitien aux propositions du Gouvernement américain.

Le Ministère des Affaires Etrangères saisit cette occasion pour renouveler à l'Ambassade des États-Unis d'Amérique en Haiti l'assurance de sa haute considération.

