

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1541*

18 June 1990

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 under Articles 7 and 8 from the United States of a bilateral agreement concluded with the USSR with respect to Category 313/315 for the period 1 January 1990 to 31 December 1992.¹

This notification was made pursuant to a request made by the Textiles Committee that agreements concluded with non-participants be notified.

The TSB agreed to forward the text of the notification to participating countries for their information.

¹The previous bilateral agreement between the parties is contained in COM.TEX/SB/1406.

*English only/Anglais seulement/Inglés solamente

United States and the USSR Sign New
Bilateral Textile Agreement

14 February 1990

The United States and the USSR exchanged letters dated 28 December 1989 to establish a new bilateral textile agreement.

United States Letter

Washington, D.C.
28 December 1989

Dear Mr. Ruzanov:

I have the honour to refer to discussions between representatives of our two Governments held in Washington, 20-22 November 1989. As a result of these discussions, I have the honour to propose the following agreement between the Governments of the Union of Soviet Socialist Republics (USSR) and of the United States (US) relating to trade in certain cotton textile fabric products (hereinafter referred to as the Agreement).

Agreement term

1. The term of the Agreement shall be from 1 January 1990 to 31 December 1992. Each "Agreement period" shall be a calendar year.

Coverage of Agreement and classification by fibre

2. (a) The textiles and textile products covered by this Agreement are those contained in Annex A. The system of categories and the rates of conversion into square metres equivalent (SME) listed in Annex A shall apply in implementing this agreement.

(b) For the purposes of this Agreement, textile products covered by this paragraph shall be classified as cotton textiles if the product is in chief weight of cotton, unless it is a woven fabric containing 36 per cent or more by weight of wool, or if cotton with wool and/or man-made fibres in the aggregate equal or exceed 50 per cent by weight of the component fibres thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fibre components.

(c) For the purposes of the Agreement, Categories 313 and 315 are merged and treated as a single Category 313/315.

Specific limits

3. During the term of the Agreement, the Government of the USSR shall limit exports from the USSR to the United States of the categories 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/carry forward

4. The extent to which any specific limit set out in Annex B may be exceeded in any agreement-period by carry forward (borrowing a portion of the corresponding specific limit from the succeeding agreement period) and/or carryover (the use of unused meterage shortfall of the corresponding specific limit for the previous agreement period) is 11 per cent, of which carryover shall not exceed 11 per cent and carry forward shall not constitute more than 6 per cent. However, no carryover shall be available in the first agreement-period and no carry forward shall be available in the final agreement-period. For the purposes of the Agreement, a shortfall in a specific limit occurs when exports from the USSR 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 downward.

Implementation

5. (a) The Government of the USSR shall administer its export control system under the Agreement. The Government of the United States may assist the Government of the USSR in implementing the limitation provisions of the Agreement.

(b) Cotton textile products exported from the USSR in excess of authorized limits in any agreement period may be denied entry into the United States and charged to the applicable limit in the succeeding agreement period.

(c) Exports from the USSR in excess of the authorized limit in any agreement period, if allowed entry into the United States during that agreement period, will be charged to the applicable limit in the succeeding agreement period.

(d) The Government of the United States shall promptly inform the Government of the USSR of any charges made pursuant to sub-paragraphs 5(b) and (c).

(e) Any action taken pursuant to sub-paragraphs 5(b) and (c) above will not prejudice the rights of either Government regarding consultations.

Spacing provisions

6. The Government of the USSR shall use its best efforts to space exports from the USSR to the United States 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 United States shall promptly supply the competent bodies of the USSR with data on monthly imports of cotton textile products subject to the Agreement into the United States from the USSR.

(b) The competent bodies of the USSR shall promptly supply the competent bodies of the United States with data on quarterly exports of cotton textile products subject to the Agreement from the USSR to the United States.

(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 United States and the Government of the USSR 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.

Co-operation in the prevention of circumvention

10. (a) The Government of the United States and the Government of the Union of Soviet Socialist Republics will co-operate to prevent circumvention of the Agreement.

(b) Subject to domestic laws, the competent authorities of the USSR will co-operate with the competent authorities of the United States in ensuring that the Agreement is not circumvented by trans-shipment, re-routing, mis-description, under-invoicing or by whatever means. To this end, the competent authorities of the USSR and those of the United States will assist each other in securing documents, correspondence, reports and other information considered relevant to investigations.

(c) Where information available to the Government of the United States or to the Government of the USSR, as a result of investigations, constitutes evidence that products subject to this Agreement have been transhipped, re-routed, mis-described, under-invoiced or otherwise traded in circumvention of this agreement, either Government may request consultations. Such consultation shall take place and be concluded within 120 days of such request.

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 Union of Soviet Socialist Republics and the Government of the United States, effective 1 January 1990.

Sincerely,

Samuel A. Keller
Assistant Chief, Textile Division
Bureau of Economic and Business Affairs

Annex A

<u>Category</u>	<u>Unit of Measure</u>	<u>Conversion factor</u>
313/315	Square metre	1:1

Annex B

Category	Unit	1.1.1990- 31.12.1990	1.1.1991- 31.12.1991	1.1.1992- 31.12.1992
313/315*	M ²	23,000,000	24,000,000	25,000,000
315	M ²	4,000,000	4,000,000	4,000,000

* Category 315 is a sub-limit of Category 313/315

Letter from the USSR

Washington, D.C.
28 December 1989

(The following is a translation of the original USSR letter)

Dear Mr. Keller:

I have the honour to confirm receipt of your letter of 28 December 1989, in which you refer to the talks between representatives of our Governments held in Washington, and in which you propose, on behalf of your Government, a bilateral agreement to govern trade in certain cotton textile fabric products between the Union of the Soviet Socialist Republics and the United States.

On behalf 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, effective 1 January 1990.

Sincerely,

Robert N. Rusanov
Trade Representative of the USSR
in the United States