

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

RESTRICTED  
**COM.TEX/SB/1905\***  
15 June 1994  
Special Distribution

(94-1205)

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Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification transmitted under Articles 7 and 8

Extension and modification of the bilateral agreements between  
the United States and Romania

The Textiles Surveillance Body received a notification under Article 4 from the United States of the extension, with modifications, of its two agreements with Romania for the period 1 January to 31 December 1994.<sup>1</sup>

The TSB decided to forward the text of the notification to participating countries under Articles 7 and 8, as Romania had not, at the time of transmittal, accepted the 1993 Protocol maintaining in force the Arrangement.<sup>2</sup>

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<sup>1</sup>The cotton agreement and previous amendments are contained in COM.TEX/SB/1452, 1516, 1517 and 1639. The wool and man-made fibre agreement and amendments thereof are contained in COM.TEX/SB/1053, 1109, 1327, 1451, 1516, 1517, 1639 and 1789.

<sup>2</sup>For the TSB's observation on this notification, see paragraph 24 of COM.TEX/SB/1910.

\*English only/Anglais seulement/Inglés solamente

UNITED STATES AND ROMANIA EXTEND AND  
AMEND THEIR BILATERAL TEXTILE AGREEMENTS  
BY EXCHANGE OF NOTES ON 9 DECEMBER 1993  
AND 5 JANUARY 1994

The United States and Romania exchanged notes in Bucharest to amend and extend the bilateral textile agreements between their two Governments. Text of the notes is attached.

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 424

The Embassy of the United States of America presents its compliments to the Ministry of Trade of Romania and has the honour to refer to the arrangement regarding international trade in textiles, with annexes, done at Geneva on 20 December 1973 as extended, and to the agreement between Romania and the United States of America relating to trade in cotton textiles, with annexes, effected by exchange of notes 28 January and 31 March 1983, as amended (the Cotton Agreement). The Embassy also refers to the agreement relating to trade in wool and man-made fibre textiles and textile products effected by exchange of notes dated 7 and 16 November 1984, as amended (the Wool and Man-Made Fibre Agreement).

The Embassy refers further to the Memorandum of Understanding, signed 1 October 1993 in Bucharest, and to the exchange of notes confirming the Memorandum of Understanding, exchanged in Bucharest 1 and 16 November 1993.

In accordance with the provisions of the Memorandum of Understanding, the Government of the United States proposes the following amendments to the Agreements:

I. The terms of both the Cotton Agreement and the Wool and Man-Made Fibre Agreement shall be extended by one year through 31 December 1994.

II. The following line shall be added to paragraph 2 of the Wool and Man-Made Fibre Agreement:

<u>Categories merged</u>	<u>Designation in agreement</u>	<u>Subcategories</u>
447; 448	447/448	None

III. Paragraph 18 of the Wool and Man-Made Fibre Agreement shall be renumbered to become paragraph 19 and the following language will become the new paragraph 18 of the Wool and Man-Made Fibre Agreement and will also replace the current paragraph 16 of the Cotton Agreement:

- (a) Consistent with their domestic laws and procedures, the Government of the United States and the Government of Romania agree to take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of this agreement by transshipment, rerouting, false declaration concerning country of origin, falsification of official documents or any other means.
- (b) Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the Agreement to address problems arising from circumvention and to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, to the extent consistent with domestic laws and procedures, will include investigation of circumvention practices; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of impromptu plant visits and contacts by representatives of either party, upon request and on a case-by-case basis.
- (c) If either party believes that this Agreement is being circumvented, it may request consultations to address the matter or matters concerned with a view to seeking a mutually satisfactory

solution. Each party agrees to hold such consultations promptly, beginning within 30 days of a written request by a party and concluding within 90 days, unless extended by mutual agreement, and to cooperate fully in terms of the elements set out in subparagraph (b) above.

- (d) Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under subparagraph (c), then the Governments of Romania and the United States agree that in cases where evidence regarding circumvention has been provided, the Government of the United States may deduct from the quantitative limits for that agreement period amounts at least equivalent to the amount of transshipped products of Romanian origin. The amounts transshipped shall be the amounts and the country of origin shall be the country of origin so determined by United States Customs. In addition, the Governments of Romania and the United States agree that deductions from the quantitative limits established under this Agreement may be made in those instances in which:
  - (i) The Government of the United States possesses information showing a substantial likelihood that circumvention has occurred;
  - (ii) The Government of the United States has requested from Romania cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by the Government of Romania; and
  - (iii) The Government of Romania has not provided such information or cooperation within the period for consultation outlined in subparagraph (c). Any such action within this subparagraph shall be notified to the TSB with full justification.
- (e) Should the Government of the United States choose to exercise its rights under subparagraph (d) to deduct an amount of amounts from the quantitative limits of a country where repeated instances of circumvention have been demonstrated within the current or immediately preceding agreement year, then the Government of the United States may deduct from the quantitative limits amounts up to three times the amounts transshipped, provided that such deductions are distributed equally in each of the three following years.
- (f) Where there is evidence showing that goods originating in another country have been shipped through Romania to the United States as though they were products of Romania, the Governments of Romania and the United States agree to take appropriate action. Such action may include the introduction of restraints in the relevant category or categories or deducting the amount of goods so shipped from the quantitative limits established for the current agreement year under this agreement for shipments originating in Romania. Any such actions, together with their timing and scope, may be taken after consultation held with a view of arriving at a mutually-satisfactory solution and shall be notified to the TSB with full justification. Such consultations should be held promptly, beginning within 30 days of a written request by a party and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Romania and the United States agree that in cases where clear information regarding circumvention has been provided, the Government of the United States may introduce a restraint or, where a restraint already exists, may deduct from the quantitative limits established under this Agreement for that agreement period an amount equivalent to the amount of product transshipped through Romania.
- (g) Parties agree that false declaration concerning fibre content, quantities, description or classifications of merchandise also frustrates the objective of this agreement. Where there is evidence that any such false declaration has been made for purposes of circumvention, both parties agree to take appropriate measures, consistent with their domestic laws and procedures, against exporters or importers involved. Should either party believe that this Agreement is

being circumvented by such false declaration and that no, or inadequate, administrative measures are being applied to address and/or take action against such circumvention, that party should consult promptly with the party involved with a view to seeking a mutually-satisfactory solution. Such consultations should be held promptly, beginning within 30 days of a written request by a party, and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Romania and the United States agree that in cases where evidence regarding such false declarations has been provided, then the Government of the United States may deduct from the quantitative limits established for the current agreement year an amount equivalent to the amount of product subject to the false declaration or classification. This provision is not intended to prevent parties from making technical adjustments when inadvertent errors in declarations have been made.

IV. The provisions set out in paragraphs 2 (Classification), 3 (Merged Categories), 7 (Cottage Industry Products), 8 (Spacing Provisions), 9 (Overshipment Charges), 10 (Exchange of Data), 11 (Consultation on Implementation Problems), 12 (Mutually Satisfactory Administrative Arrangements), 15 (Assistance in Implementation), 16 (Agreement Circumvention), 17 (Correct Category/Quantity Visa Systems) of the Cotton Agreement; and paragraphs 2 (Merged Categories), 9 (Cottage Industry Products), 10 (Spacing Provisions), 11 (Exchange of Data), 12 (Classification Language), 13 (Consultation on Implementation Questions), 14 (Mutually Satisfactory Administrative Arrangements), 17 (Assistance in Implementation) and new paragraph 18 (Agreement Circumvention) of the Wool and Man-Made Fibre Agreement will be directly relevant to the ability of the United States and the Government of Romania to implement the Uruguay Round Textiles Agreement. Therefore, upon entry into force of the Uruguay Round Agreement, these provisions will remain in force and will be notified to the Textile Monitoring Body (TMB).

V. Annex B and Annex C of the Cotton Agreement shall be amended to add the following specific limits and designated consultation levels for 1994:

ANNEX B

Category	Unit	1994
Aggregate limit	SME	51,000,695
Specific limits		
315	M2	2,686,198
333/833	DOZ	106,389
335/835	DOZ	134,759
338/339	DOZ	581,592
340	DOZ	253,860
341/840	DOZ	106,389
347/348	DOZ	453,926
836	DOZ	50,000

ANNEX C

Designated Consultation Levels		
Category	Unit	Annual level
237	DOZ	61,000
313	M2	1,672,255
314	M2	1,254,191
334	DOZ	257,153
(334 NZ)	DOZ	(36,320)
350	DOZ	27,000
352	DOZ	181,818
359	KG	652,174
361	NO	515,000
369	KG	295,821
810	M2	4,180,637
847	DOZ	75,000

All categories not otherwise specified above shall be subject to minimum consultation levels as follows:

- 836,127 SME for cotton, silk-blend and vegetable fibre and 200 series non-apparel categories;
- 585,289 SME for cotton, silk-blend and vegetable fibre and 200 series apparel categories.

VI. Annex B and C of the Wool and Man-Made Fibre Agreement shall be amended to add the following specific limits and designated consultation levels for 1994:

<u>Category</u>	<u>Unit</u>	<u>1994</u>
Group III	SME	54,418,244
Specific limits 604	KG	1,564,867
433/434	DOZ	7,085
435	DOZ	6,284
442	DOZ	9,819
443	NO	103,205
444	NO	33,654
447/448	DOZ	13,939
635	DOZ	88,751
638/639	DOZ	509,486
643/644 (not knit)	DOZ	699,119
645/646	DOZ	279,341

ANNEX C

Designated Consultation Levels		
Category	Unit	Annual level
Group II	SME	10,033,528
410	M2	167,225
465	M2	129,600
618	M2	1,672,255
666	M2	116,306
459	KG	34,019
633	DOZ	44,199
634	DOZ	53,687
634 Knit	DOZ	(36,604)
634 Not-knit	DOZ	(17,083)
640	DOZ	80,225
641	DOZ	34,775
643/644 (Knit)	DOZ	24,996
647	DOZ	80,737
648	DOZ	57,746
659	KG	101,768

All categories not otherwise specified above shall be subject to minimum consultation levels as follows:

- 836,127 SME for man-made fibre non-apparel categories;
- 585,289 SME for man-made fibre apparel categories;
- 83,613 SME for wool categories.

If the foregoing conforms with the understanding of the Government of Romania, this note and the Government of Romania's note of confirmation shall constitute an agreement extending and amending the Cotton Agreement and the Wool and Man-Made Fibre Agreement.

The Embassy of the United States of America further avails itself of this opportunity to renew to the Ministry of Trade of Romania the assurances of its highest consideration.

Embassy of the United States of America,  
Bucharest, 9 December 1993.



ROMANIA  
MINISTRY OF COMMERCE  
Division for the Americas

No. E4d/130/11.01.1994

The Ministry of Commerce of Romania presents its compliments to the Embassy of the United States of America and has the honour to acknowledge the receipt of its Note No. 424 of 9 December 1993.

The Ministry of Commerce of Romania confirms by this Note, that the Government of Romania agrees upon the amendments to the agreements in accordance with the provisions of the Memorandum of Understanding signed on 1 October 1993 and confirmed by the exchange of notes in Bucharest on 1 and 16 November as it follows:

I. The term of both the Cotton Agreement and the Wool and Man-Made Fibre Agreement shall be extended by one year through 31 December 1994.

II. The following line shall be added to paragraph 2 of the Wool and Man-Made Fibre Agreement:

<u>Categories merged</u>	<u>Designation in agreement</u>	<u>Subcategories</u>
447; 448	447/448	None

III. Paragraph 18 of the Wool and Man-Made Fibre Agreement shall be renumbered to become paragraph 19, and the following language will become the new paragraph 18 of the Wool and Man-Made Fibre Agreement and will also replace the current paragraph 16 of the Cotton Agreement:

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- (b) Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the Agreement to address problems arising from circumvention and to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, to the extent consistent with domestic laws and procedures, will include investigation of circumvention practices; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of impromptu plant visits and contacts by representatives of either party, upon request and on a case-by-case basis.
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The Ministry of Commerce of Romania further avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Ministry of Commerce of Romania,  
Bucharest, 5 January 1994