

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1236*

11 March 1987

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between the United States and Jamaica

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with Jamaica. The agreement, valid for the period 1 September 1986-31 December 1989, superseded the consultation agreement between the parties.¹

The TSB decided to transmit the notification to participating countries under Articles 7 and 8 for their information.²

* English only/Anglais seulement/Inglés solamente

¹The consultation agreement between the parties is contained in COM.TEX/SB/65.

²For TSB decision see COM.TEX/SB/1241.

UNITED STATES AND JAMAICA
SIGN NEW BILATERAL TEXTILE AGREEMENT

The United States and Jamaica exchanged letters dated August 27, 1986, to effect a new bilateral textile Agreement relating to their trade in cotton, wool and man-made fiber products manufactured in Jamaica.

UNITED STATES LETTER

Washington
August 27, 1986

His Excellency The Rt. Hon. Hugh Lawson Shearer, P.C., M.P.
Deputy Prime Minister
and Minister of Foreign Affairs and Foreign Trade
Government of Jamaica

Dear Mr. Deputy Prime Minister:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, as extended by protocols dated December 14, 1977, December 22, 1981, and July 31, 1986. I also have the honor to refer to President Reagan's speech in Grenada on February 20, 1986.

I also refer to discussions between representatives of the Government of Jamaica and the Government of the United States of America concerning exports of cotton, wool, and man-made fiber textiles and textile products manufactured in Jamaica and exported to the United States. As a result of these discussions, I propose on behalf of the Government of the United States, under Articles 4 and 6 of the Arrangement and in conformity with the Arrangement, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the Government of Jamaica and the Government of the United States. This Agreement shall supersede the Agreement between the Government of Jamaica and the Government of the United States of 20 December, 1977.

Group I - GALS

3. The Categories in Group I listed in Annex B are those which the Government of Jamaica intends to export to the United States under the Caribbean Basin Textile Product Program. These products, which will be assembled in Jamaica of United States-formed fabrics, cut in the United States for re-export to the United States under contracts governed by USFTA item number 807.0010, are subject to the Annual Guaranteed Access Levels (GALs) specified in Annex B.

1A) If the Government of Jamaica wishes to apply for a new Guaranteed Access Level or to export textile products to the United States in excess of existing Guaranteed Access Levels (GALs), the Government of Jamaica shall submit a request for new or increased levels. The Government of the United States shall consider such requests sympathetically and respond promptly within 30 United States working days of the receipt of the initial request in Washington. Among other factors, the United States will take into consideration export performance, current levels of exports, unused production capacity, expected new investment, and the potential for market disruption, taking into account the United States content of the product.

1B) If the Government of the United States fails to reply within 30 U.S. working days, the request of the Government of Jamaica becomes the new Guaranteed Access Level. If the Government of the United States is unable to comply fully with the request due to problems of market disruption, as described in Annex B of the Arrangement, or the real risk thereof, in a category or product subject to such request, the Government of the United States will so inform the Government of Jamaica within 30 U.S. working days, supported by data which form the basis of the position it has taken. Either Government may request consultations to discuss such requests for increases in GALs. Until a mutually satisfactory change in the GAL in question is established, shipments shall not exceed the existing GAL.

Group II - Designated Consultation Levels (DCLs)

4. 1A) The Categories in Group II listed in Annex C are those which the Government of Jamaica intends to export to the U.S., but not under the Caribbean Basin Textile Product Program, and which are subject to designated consultation levels (DCLs).

1B) If the Government of Jamaica wishes to export textile products to the United States in excess of the applicable DCLs, the Government of Jamaica shall request the higher levels. The Government of the United States shall consider such requests sympathetically. The Government of the United States shall respond promptly and make every effort to resolve the issue within 30 U.S. working days of the receipt in Washington of the initial request. Until a mutually satisfactory change in the consultation level in question is established, shipments shall not exceed the existing DCL. If the Government of the United States is unable to comply fully with the request due to problems of market disruption, or the real risk thereof as

described in Annex A of the Arrangement, in a category or product subject to such a request, the Government of the United States will so inform the Government of Jamaica. Either Government may request consultations to discuss such requests for DCL increases.

Group III

5. Categories and products in Group III are those not included in Groups I (GALs) and II (DCLs). Categories and products in Group III are free of all restrictions at this time but are subject to the consultation mechanism described in Paragraphs

5A-5B. Specific Limits (SLs) set out in Annex D and derived as a result of consultations as set out in this paragraph, shall not be subject to future requests for consultations under the terms of this paragraph.

Consultation Mechanism for Group III

(A) In the event that the Government of the United States of America believes that imports from Jamaica in Group III and classified in any category or product not covered by specific limits are, due to market disruption or real risk thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States of America may request consultations with the Government of Jamaica with a view to easing or avoiding such market disruption or the real risk thereof. The Government of the United States will provide the Government of Jamaica at the time of the request with a detailed and factual statement of reasons for its request for consultations which, in the view of the Government of the United States, demonstrates:

- (1) The existence of market disruption, or the real risk thereof, and
- (2) The role of exports from Jamaica in that disruption or real risk thereof.

(B) The Government of Jamaica agrees to consult with the Government of the United States of America within 30 days of receipt of the request for consultations. Both Governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of such request, unless this period is extended by mutual agreement. This resolution could include the establishment by mutual agreement of a guaranteed access level, a designated consultation level or a specific limit, as appropriate.

(C) During that 90 day-period, the Government of Jamaica agrees to hold its exports to the United States in the category or product concerned to a level no greater than 35 percent of the amount entered, as reported in U.S. General Import Statistics, during the first twelve of the most recent fourteen month period preceding the month of the call.

(D) If no mutually satisfactory solution is reached during the 90-day consultation period, the Government of the United States of America may establish annual specific limits to be set out in Annex D for shipments of cotton, wool, and man-made fiber textiles and textile products in the category, part-category

or product concerned for the duration of the Agreement in accordance with Paragraph 5 [5]. The amount will not be less than the amount entered in the category, part-category or product, as reported in U.S. General Import Statistics, during the first twelve of the most recent fourteen months preceding the date the request for consultations was made, plus twenty [20] percent for cotton and man-made fiber products and six [6] percent for wool product categories. In the event that no mutually satisfactory solution is reached, both Governments further agree to make every effort to achieve agreement during subsequent consultations.

[E] The first year of any specific limit established under Sub-paragraph [D] shall begin on the first day following the 90-day consultation period and end on the last day of the agreement period in which the specific limit was established. If a specific limit is established during an agreement period, that limit and any application existing or carryforward will be prorated to correspond to the period of time remaining in the current agreement period. Carryover will not be available in the first agreement period for which a specific limit is established under Paragraph 5[D]. Setting for specific limits established under Paragraph 5[D] will be available as set out in Paragraph 6. For each remaining agreement period any specific limit will be increased by six [6] percent per agreement period in the case of cotton and man-made fiber product categories and by one [1] percent in the case of wool categories.

Flexibility Adjustments

6. (A) [I]. Specific limits established pursuant to Paragraph 5 do not include any adjustments permitted under this Paragraph.

[II] During any agreement period, any Group III specific limit may be exceeded by not more than seven [7] percent only, provided that a corresponding reduction in square yards equivalent to that in other Group III specific limits during the same agreement period.

(B) [I] The amount to which any Group III specific limit may be exceeded in any agreement period by carryforward (barring a portion of the corresponding specific limit from the succeeding agreement period) and/or carryover (the use of any unused amount in excess of the corresponding specific limit for the previous agreement period) is eleven [11] percent, of which carryforward shall not constitute more than six [6] percent.

[III] No carryover shall be available for application in the first agreement period. No carryforward shall be available for application in the final agreement period.

(C) For purposes of this Agreement, a shortfall in a specific limit occurs when exports of textiles or textile products from Jamaica to the United States during any agreement period are below the applicable specific limit as set out in Annex D or, in the case of any limit reduced pursuant to the provisions of this Paragraph, when such exports are below the specific limit as decreased.

(D) Subject to the provisions of sub-paragraphs 6(A), 6(B) and 6(C) above, the Government of the United States may apply flexibility under this Paragraph to specific limits on any category or product whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the Agreement. To the extent that such adjustments are actually utilized they will be implemented by means of carryover, swing and carryforward in that order. Any unused flexibility will be re-credited to the donor limit. This procedure will not prejudice the outcome of any consultations between our Governments concerning the amounts of flexibility available.

Overshipment Charges

7. (A) Exports from Jamaica in excess of agreed levels in any Agreement period may be denied entry into the United States. Any such shipments denied entry into the United States may be permitted entry in the succeeding agreement period and charged to the applicable limit. The Government of the United States shall inform the Government of Jamaica of any such charges.

(B) Exports from Jamaica in excess of agreed limits in any Agreement period which, if entered into the United States during that Agreement period, go charged to the applicable limit in the succeeding Agreement period.

(C) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

Spacing Provisions

8. The Government of Jamaica shall use its best efforts to space exports to the United States within each category, sub-category, or part category evenly throughout each Agreement period, taking into consideration normal seasonal factors.

U.S. Assistance in Implementation of the Limitation Provisions

9. The Government of Jamaica shall administer its export control system under this Agreement. The Government of the United States may assist the Government of Jamaica in implementing the provisions of this Agreement by controlling imports, by the date of export, of textiles and textile products covered by this Agreement.

Exchange of Data

10. (A) In accordance with their respective domestic laws, the Government of the United States and the Government of Jamaica shall promptly exchange statistics on monthly bilateral trade in cotton, wool, and man-made fiber and other fiber textiles and textile products. Similarly, each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement.

(B) It is recognized that in order for the Government of Jamaica to discharge its obligations under Paragraph 10 (A), the Government of the United States shall provide the Government of Jamaica on request with technical assistance, including training, to upgrade and simplify existing data-gathering procedures.

Mutually Satisfactory Administrative Arrangements

11. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

Consultation on Implementation Questions

12. The Government of the United States and the Government of Jamaica agree, upon request of the other, to consult on any question arising in the implementation of this Agreement.

Right to Propose Amendments to the Agreement

13. The Government of the United States and the Government of Jamaica may at any time propose amendments in the terms of this agreement. Each agrees to consult promptly with the other about such proposals with a view to making such amendments to this Agreement, or taking such other appropriate action as may be mutually agreed upon. The Agreement is subject to both parties being free to request, at any time, amendments to this Agreement in light of successor international arrangements including, if appropriate, a review and amendments regarding fibers other than cotton, wool and man-made fiber.

Consultations in Case of Inequity Vis-a-vis a Third Country

14. If either Government considers that as a result of any provisions of this Agreement, it is being placed in an inequitable position in relation to a third country, either Government may request consultations with the other with a view to taking appropriate remedial actions, such as a reasonable modification of this Agreement.

Limited Waiver of Article 3 Rights

15. For as long as Jamaica remains a member of the Arrangement, and for the duration of this Agreement, the Government of the United States shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the cotton, wool, and man-made fiber textiles and textile products of Jamaica covered by this Agreement to the United States. The Government of the United States and the Government of Jamaica reserve their rights under the Arrangement with respect to textiles and textile products not covered by this Agreement.

Visa and Certification System

16. Both Governments agree to establish a correct category/correct quantity visa and certification system.

Provision for Textile Agreements Harmonized Commodity Code

17. (A) Both parties recognize that adoption by the Government of the United States and the Government of Jamaica of the Harmonized Commodity Code may result in some changes in the United States category system of textile products as presently covered by this Agreement. If such changes are made during the term of this Agreement, the Government of the United States and the Government of Jamaica will consult with the view of reaching a satisfactory resolution of issues concerning categories covered by this Agreement. The Government of Jamaica recognizes that, should there be no resolution in such consultations, the Government of the United States reserves its rights to make such adjustments to the Annexes as necessary to bring it into conformity with the new category system and with the Harmonized Commodity Code.

The intent of this conversion on the part of the Government of the United States is solely to align the current category system and limits with the Harmonized Commodity Code; it is not to diminish or alter overall trade in textiles and apparel with Jamaica.

(B) Consultations under this provision shall be conducted no later than 90 days before final adoption of the Harmonized Commodity Code by the Government of the United States or an adjusted time schedule as mutually agreed.

Cooperation in the Prevention of Circumvention

18. (A) Subject to domestic laws, and pursuant to Paragraph 16 of the July 31, 1986 Protocol to the Arrangement, and bearing in mind the provisions of Paragraph 10(B) of this Agreement, the competent authorities of Jamaica shall cooperate with the competent authorities of the United States in ensuring that the Agreement is not circumvented by transshipment, rerouting, misdescription, underinvoicing or by whatever means. To this

misdescription, underinvoicing or by whatever means. To this end the competent authorities of Jamaica and those of the United States shall assist each other :

- (I) In securing from parties documents, correspondence and reports considered relevant to investigations.
- (II) By providing for plant visits and inspections, whether by prior notification or impromptu, by authorized personnel.
- (III) By facilitating personal interviews designed to ascertain needed facts.

(B) Where information available to the Government of the United States or to the Government of Jamaica, as a result of investigations, indicates that products subject to this Agreement have been transhipped, rerouted, misdescribed, under-invoiced or otherwise traded in circumvention of this Agreement, either Government may request consultations, with a view to taking remedial measures, including, as relevant:

1. an equivalent adjustment of the corresponding agreed levels established under the Agreement;
2. the prohibition, in accordance with any relevant domestic laws, whether on a temporary or permanent basis, of any person natural or juridical, in respect of whom there is evidence of the commission of fraud or other circumvention of this Agreement from participation in this programme.

Such consultation shall take place and be concluded within 120 days of such request.

Exchange of Information

19. Subject to their domestic laws, each Government agrees to supply promptly, any information reasonably believed to be necessary to the enforcement of this Agreement, requested by the other Government.

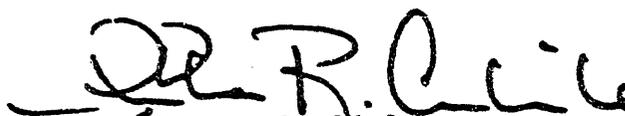
Right to Terminate the Agreement

20. Either Government may terminate this Agreement, effective at the end of an Agreement Period, by written notice to the other Government, to be given at least 90 days prior to the end of such Agreement Period.

Closing Paragraph

If the foregoing conforms with the understanding of the Government of Jamaica, this note and Your Excellency's note of confirmation shall constitute an Agreement between our two Governments.

Sincerely,



Charles R. Carlisle
Ambassador and Chief Textile Negotiator

ANNEX A

Category		Conversion Factor	Unit of Measure
--YARN--			
--COTTON--			
300	Carded	4.6	LB.
--WOOL--			
400	Tops and Yarns	2.0	LB.
--MAN-MADE FIBERS			
600	Textured	3.5	LB.
601	Continuous Cellulosic	5.2	LB.
602	Continuous Noncellulosic	11.6	LB.
603	Spun Cellulosic	3.4	LB.
604	Spun Noncellulosic	4.1	LB.
605	Other Yarns	3.5	LB.
--FABRIC--			
--COTTON--			
310	Gingham	1.0	SYD
311	Velveteen	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloth	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and Sateens	1.0	SYD
318	Yarn-Dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other Fabrics, N.k.	1.0	SYD
--WOOL--			
410	Woolens & Worsted	1.0	SYD
411	Tapestries & Upholstery	1.0	SYD

425	Knit	2.0	LB.
429	Other Fabrics	1.0	SYD
--MAN-MADE FIBER--			
610	Continuous Cellulosic, N.R.	1.0	SYD
611	Spun Cellulosic N.R.	1.0	SYD
612	Continuous Non-Cellulosic, N.R.	1.0	SYD
613	Spun, Non-Cellulosic N.R.	1.0	SYD
614	Other Fabrics, N.R.	1.0	SYD
625	Knit	7.8	LB.
626	Wile & Tufted Specialty	1.0	SYD
627	Specialty	7.8	LB.
--APPAREL			
--COTTON--			
330	Handkerchiefs	1.7	DZ.
331	Gloves	3.5	DPR
332	Socks	4.6	DPR
333	Suit-Type Coats, M&B	36.2	DZ.
334	Other Coats, M&B	41.3	DZ.
335	Coats, W&I	41.3	DZ.
336	Dresses (Incl. Uniforms)	45.3	DZ.
337	Blouses, Sun- suits, Wash- suits, Creepers	25.0	DZ.
338	Knit Shirts (Incl. T-Shirts, Other & Sweatshirts)	7.2	DZ.
339	Knit Shirts & Blouses (Incl. Sweatshirts), W&I	7.2	DZ.
340	Shirts, N.R.	24.0	DZ.
341	Blouses, N.R.	14.5	DZ.
342	Shirts	17.8	DZ.
343	Sweaters	36.8	DZ.
344	Trousers, Slacks, & Shorts (Outer), M&B	17.8	DZ.
348	Trousers, Slacks & Shorts (Outer), W&I	17.8	DZ.
349	Brassieres, Etc.	4.8	DZ.
350	Dressing Gowns, Incl. Bathrobes & Beach Robes, Lounging Gowns, Housecoats, & Quarters	51.0	DZ.
351	Pajamas & Other Nightwear	52.0	DZ.

352	Underwear (Incl. Union Suits)	11.0	DZ.
353	Down & Feather- filled Coats, Jackets and Vests, M&B	41.3	DZ.
354	Down & Feather filled Coats, Jackets & Vests, WG&I	41.3	DZ.
359	Other Apparel	4.6	LB.
--WOOL--			
431	Gloves	2.1	DPR.
432	Hosiery	2.8	DPR.
433	Suit-Type Coats M&B	36.0	DZ.
434	Other Coats, M&B	54.0	DZ.
435	Coats, W, G & I	54.0	DZ.
436	Dresses	49.2	DZ.
438	Knit Shirts & Blouses	15.0	DZ.
440	Shirts & Blouses N.K.	24.0	DZ.
442	Skirts	18.0	DZ.
443	Suits, M&B	54.0	DZ.
444	Suits, WG&I	54.0	DZ.
445	Sweaters, M&B	14.88	DZ.
446	Sweaters, WG&I	14.88	DZ.
447	Trousers, Slacks & Shorts (Outer) M&B	18.0	DZ.
448	Trousers, Slacks & Shorts (Outer) WG&I	18.0	DZ.
459	Other Wool Apparel	2.0	LB.
--MAN-MADE FIBER--			
630	Handkerchiefs	1.7	DZ.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-Type Coats, M&B	36.2	DZ.
634	Other Coats, M&B	41.3	DZ.
635	Coats, WG&I	41.3	DZ.
636	Dresses	45.3	DZ.
637	Playsuits, Sun- suits, Washsuits, etc.	21.3	DZ.
638	Knit Shirts (Incl. T-Shirts), M&B	18.0	DZ.
639	Knit Shirts (Incl. T-Shirts) WG&I	15.0	DZ.
640	Shirts, N.K.	24.0	DZ.
641	Blouses, N.K.	14.5	DZ.
642	Skirts	17.8	DZ.
643	Suits, M&B	54.0	DZ.
644	Suits, WG&I	54.0	DZ.
645	Sweaters, M&B	36.8	DZ.

646	Sweaters, WG&I	36.8	DZ.
647	Trousers, Slacks & Shorts (Outer) M&B	17.8	DZ.
648	Trousers, Slacks & Shorts (Outer) WG&I	17.8	DZ.
649	Brassieres, etc.	4.8	DZ.
650	Dressing Gowns Incl. Bath & Beach Robes	51.0	DZ.
651	Pajamas and Other Nightwear	52.0	DZ.
652	Underwear	16.0	DZ.
653	Down & Feather- filled Coats, Jackets and Vests, M&B	41.3	DZ.
654	Down & Feather- filled Coats, Jacket & Vests, WG&I	41.3	DZ.
659	Other Apparel	7.8	LB.
MADE-UPS AND MISC.			
--COTTON--			
360	Pillowcases	1.1	NO.
361	Sheets	6.2	NO.
362	Bedspreads & Quilts	6.9	NO.
363	Terry & Other Pile Towels	0.5	NO.
369	Other Cotton Manu- factures	4.6	LB.
--WOOL--			
464	Blankets & Auto Robes	1.3	LB.
465	Floor Coverings	0.1	SPT
469	Other Wool Manu- factures	2.0	LB.
--MAN-MADE FIBER--			
665	Floor Coverings	0.1	SPT
666	Other Furnishings	7.8	LB.
669	Other Man-Made Manufactures	7.8	LB.
670	Luggage, Handbags and Flatgoods	2.0	LB.

**ANNEX B
GAL'S**

For Products of the Caribbean Basin Apparel Program

Category	September 1, 1986 December 31, 1987	Annual Levels 1988 and 1989
331/631	1,500,000 DPR	1,320,000 DPR
338/339	190,000 DOZ	200,000 DOZ
347/348	840,000 DOZ	720,000 DOZ
349/649	2,575,000 DOZ	2,200,000 DOZ

ANNEX C

Designated Consultation Levels

Category	September 1, 1986 December 31, 1987	Annual Levels 1988 and 1989
331/631	300,000 DPR	350,000 DPR
338/339	275,000 DOZ	325,000 DOZ
340/640	375,000 DOZ	450,000 DOZ
Yarn-Dyed Sublimit	(275,000 DOZ)	(300,000 DOZ)
347/348	425,000 DOZ	450,000 DOZ

ANNEX D

Specific Limits

Annex D is reserved for a list of specific limits if they are created in the future. (End Text)

JAMAICA LETTER

Washington
August 27, 1986

The Honorable Charles R. Carlisle
Chief Textile Negotiator
Office of the U.S. Trade Representative
Washington, D.C. 20506

Dear Ambassador Carlisle:

On behalf of my Government, I am pleased to accept the text provided in your letter of August 27, 1986 for an Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products manufactured in Jamaica and exported to the United States.

This acceptance and your proposal shall constitute an agreement between our two Governments.

Yours sincerely,



Hugh Lawson Shearer
Deputy Prime Minister and Minister of Foreign Affairs
and Foreign Trade, Government of Jamaica

