ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendments of the Bilateral Agreement between
the United States and the Philippines

Note by the Chairman

Attached is a notification received from the United States of several amendments to its bilateral agreement with the Philippines. The amendments concern special swing between certain traditional (T) and non-traditional (NT) categories; increase in the 1985 limit for Category 645/6 NT; adjustments of limits on Categories 431 and 604; increases in the DCL for Category 669; creation of a sub-DCL for Category 605-S; and quota-free treatment during 1986 for crocheted apparel.

The bilateral agreement and a previous amendment are contained in COM.TEX/SB/904 and 905.

* English only/Anglais seulement/Inglés solamente

86-0879
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1211 Geneva

Dear Mr. Chairman:

I am herewith enclosing copies of several amendments to
the U.S.-Phillipine bilateral agreement.

The first, which was effected by an exchange of notes in
April 1985, involved: (1) special swing between
traditional(T) and non-traditional(NT) categories and a
one-time increase the limit for 645/646 NT; and (2)
modification of two specific limits by increasing the
level of Category 431 and decreasing the level for
Category 604.

The second, effected by an exchange of notes in July and
August of 1985, provided for an increase (to 197,838 lbs)
in the Designated Consultation level for Category 669.

The third, effected in October 1985, provided a further
increase for Category 669 (to 400,000 lbs.).

The fourth, effected in March 1986, again increased the
level for Category 669 (to 750,000 pounds for 1986);
created a sub-DCL for Category 605-S; and provided for
quota free treatment during 1986 of both traditional and
non-traditional crocheted apparel.

Sincerely,

Robert E. Shepherd
Minister Counselor

Enclosures: As stated
The United States and Philippines exchanged notes in Washington to effect an amendment to the bilateral textile agreement between the two governments. Texts of the notes follow.

**UNITED STATES LETTER**

Washington
March 12, 1986

Mr. Edgardo J. Garcia
Commercial Attaché
Embassy of the Philippines
1817 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Garcia:

I am writing in reference to Paragraph 4 of the Agreement between the United States and the Philippines relating to Trade in Cotton, Wool, and Man-made Fiber Textiles and Textile Products, with Annexes, as amended ("the Agreement"), and to discussions held in Washington, D.C between representatives of our Governments on February 18, 1986.

With regard to hand crocheted non-traditional apparel, it is my Government's belief that Paragraph 16 (A) and Annex D of the Agreement were intended to apply only to traditional Philippine items. My Government acknowledges, however, that until recently non-traditional hand crocheted apparel produced in the Philippines have been permitted to enter as exempt articles under Paragraph 16 (A) and Annex D. My Government also acknowledges that a recent change in the United States' enforcement pattern has caused difficulties for the Government of the Philippines. In recognition of these difficulties, my Government agrees to exempt, for 1986 only, both traditional and non-traditional hand crocheted apparel certified under the provisions of Paragraph 16 A and Annex D by the Government of the Philippines. It is the understanding of my Government that this action is being taken without prejudice to any future agreement on trade in textiles and apparel.

For more information contact: EB/TEX: E. H. GOFF (202) 647-3000
With regard to Category 669, my Government offers to increase the current designated consultation level to 750,000 pounds for 1986. In addition, my Government proposes a sub-DCL of 350,000 pounds for sewing thread valued at over ninety cents a pound (T.S.U.S.A. 310.950G). This sub-DCL would be under the DCL for Category 605 (1,052,229 pounds).

If these proposals are acceptable to your Government, this letter and your letter of confirmation on behalf of your Government shall constitute an Amendment to the Agreement.

Sincerely,

Denis Lamb
Deputy Assistant Secretary for Trade and Commercial Affairs

PHILIPPINES LETTER

Washington
March 13, 1986

Mr. Denis Lamb
Deputy Assistant Secretary for Trade and Commercial Affairs
Department of State
Washington, D. C. 20520

Dear Mr. Lamb:

I refer to your letter dated 12 March 1986 containing your Government's proposals in regard to Paragraph 4 of the 1982 United States-Philippines Bilateral Textile Agreement and its Annexes, as amended, and to discussions held in Washington, D. C. between the representatives of our Governments on 18 February 1986 as follows:

1. To allow handcrocheted apparel certified under the provisions of Paragraph 16(A) and Annex D of the Agreement by the Government of the Philippines as quota exempt for 1986;
2. To raise the current designated consultation level of Category 669 to 750,000 pounds for 1986; and

3. To establish a sub-DCL of 350,000 pounds for sewing thread valued at over ninety cents a pound (TSUSA 310.9500) under the DCL for Category 605.

My Government begs to disagree with your Government's contention that Paragraph 16(A) and Annex D draw a distinction between traditional and non-traditional with reference to handcrocheted apparel. Nonetheless, I wish to inform you that my Government accepts your Government's proposals as described above and that this letter of confirmation and your letter of March 12, 1986 shall constitute an amendment to the Agreement.

Yours sincerely,

EDGARDO J. GARCIA
Commercial Counsellor
& Officer-in-Charge
August 8, 1985

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

The United States and the Republic of the Philippines exchanged letters in Washington dated July 19 and August respectively, to effect amendment to their bilateral textile agreement. Texts of the letters follow.

PHILIPPINE LETTER

Washington
July 19, 1985

Mr. Paul P. Pilkauskas
Chief, Textiles Division
Room 3421
Department of State
Washington, D.C.

Dear Mr. Pilkauskas:

I refer to the 1982 United States-Philippines Agreement relating to trade in cotton, wool and man made fiber textiles and textile products, and pursuant to paragraph 4 thereof, the Government of the Philippines would request the United States Government's permission to export this year 20,700 lbs. in excess of the consultation level applicable to Category 669.

It would be appreciated if the matter could be given preferential attention.

Yours sincerely,

EDGARDO J. GARCIA
Commercial Attache

For more information contact: EB/TEX:EHGoff (202) 632-3000
WASHINGTON
August 6, 1985

Mr. Edgardo J. Garcia
Commercial Attaché'
Embassy of the Philippines
1617 Massachusetts Avenue, N.W.
Washington, DC 20036

Dear Mr. Garcia:

I am writing in reference to Paragraph 4 of the Agreement between the United States and the Philippines relating to trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products with Annexes, as amended (the Agreement), and to your Government's request of July 19, 1985.

On behalf of my Government, I am pleased to accept the request for a 20,700 pounds increase in the consultation level for Category 669 for 1985. In consequence the consultation level for Category 669 will be increased from 177,138 pounds to 197,838 pounds for 1985.

This letter and your letter of July 19, 1985 on behalf of your Government shall constitute an Amendment to the Agreement.

Sincerely,

Ann L. Hollick, Acting
Deputy Assistant Secretary for Trade and Commercial Affairs
Bureau of Economic and Business Affairs
October 23, 1985

UNITED STATES AND REPUBLIC OF THE
PHILIPPINES AMEND BILATERAL TEXTILE
AGREEMENT

The United States and the Republic of the Philippines exchanged letters in Manila dated October 3 and 9, 1985, respectively, amending their bilateral textile agreement. Texts of the letters follow.

UNITED STATES LETTER

Manila
October 3, 1985

The Honorable
Roberto V. Ongpin
Minister of Trade and Industry
Republic of the Philippines
Manila

Dear Minister Ongpin:


After a thorough consideration of the request of the Government of the Philippines, I am pleased to offer a designated consultations level for 1985 for Category No. 669 of 400,000 pounds.
Should this offer be acceptable to your Government, this letter and your letter of acceptance on behalf of your Government shall constitute an amendment to the Agreement.

Sincerely,

Stephen W. Bosworth
Ambassador
Ambassador Stephen W. Bosworth  
Embassy of the United States  
of America  
Manila

Dear Ambassador Bosworth:

On behalf of my government, I am accepting the US offer with regard to the Agreement between the Republic of the Philippines and the United States of America Relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products of 24 November 1982, to raise the 1985 designated consultation level of Cat. No. 669 to 400,000 pounds.

It is understood that your letter of 3 October 1985 regarding the above offer and this letter of acceptance shall constitute an amendment to the Agreement.

Thank you for your support and cooperation.

Very truly yours,

ROBERTO ONGPIN  
Minister
June 15, 1985

UNITED STATES AND REPUBLIC OF THE PHILIPPINES AMEND BILATERAL TEXTILE AGREEMENT

The United States and the Republic of the Philippines exchanged Notes in Washington dated April 9 and June 11, 1985, respectively, to effect amendment of their bilateral textile agreement. Texts of the notes follow.

UNITED STATES NOTE

Washington
April 9, 1985

His Excellency
Benjamin T. Romualdez
Ambassador of the Philippines
Washington

Excellency:

I have the honor to refer to the Agreement relating to trade in cotton, wool and man made fiber textiles and textile products between the Government of the Republic of the Philippines and the Government of the United States of America effected by exchange of notes November 24, 1982 (the Agreement), as amended, and to the consultations held February 20-27, 1985 in Washington between the Governments
of the United States of America and the Republic of the Philippines.

It is the understanding of my Government that it has been agreed to amend the bilateral textile agreement between our countries. The following provisions will be effective January 1, 1985.

A. A special swing of 10 percent, in addition to the swing stipulated in the Agreement, between Categories 341 T and 641 T, and between Categories 348 T and 648 T.

B. A special swing from Category 635 NT to Category 635 T up to the Category 635 NT limit for 1985 only.

C. A special swing of 15 percent, in addition to the swing stipulated in the Agreement, between Categories 335 T and 335 NT for 1985 only.

D. A special swing in addition to the swing stipulated in the Agreement, shall not be required for any other categories in 1985 without prejudice to the consultation provisions of the Agreement.
E. The U.S. authorities will, within 30 days from the receipt of the appropriate data from the Philippines, either finish the reconciliation requested or propose a solution to the problems arising therefrom.

F. The specific limit for Category 645/6 NT will be increased by 21,058 dozen to 114,516 dozen for 1985 only.

G. That Annex B of the Agreement be amended by deleting the entries concerning Category 431, and by substituting therefor the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>431</td>
<td>Dôz. Pr.</td>
<td>150,000</td>
<td>151,500</td>
</tr>
<tr>
<td>604</td>
<td>Pounds</td>
<td>2,156,939</td>
<td>2,221,647</td>
</tr>
</tbody>
</table>

If your Government agrees to this proposal, this note and your response on behalf of your Government shall constitute an amendment to the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:
PHILIPPINES NOTE

Washington
June 11, 1985

Denis Lamb
Deputy Assistant Secretary
Trade and Commercial Affairs
Department of State
Washington

Excellency:

I have the honor to refer to your note dated April 9, 1985, which reads as follows:

"April 9, 1985

Excellency:

I have the honor to refer to the Agreement relating to trade in cotton, wool and man made fiber textiles and textile products between the Government of the Republic of the Philippines and the Government of the United States of America effected by exchange of notes November 24, 1982 (the Agreement), as amended, and to the consultations held February 20-27, 1986 in Washington between the Governments of the United States of America and the Republic of the Philippines.

It is the understanding of my Government that it has been agreed to amend the bilateral textile agreement between our countries. The following provisions will be effective January 1, 1985.

A. A special swing of 10 percent, in addition to the swing stipulated in the Agreement, between Categories 341 T and 641, and between Categories 348 T and 648 T.
B. A special swing from Category 635 NT to Category 635 T up to the Category 635 NT limit for 1985 only.

C. A special swing of 15 percent, in addition to the swing stipulated in the Agreement, between Categories 335 T and NT for 1985 only.

D. A special swing in addition to the swing stipulated in the Agreement, shall not be required for any other categories in 1985 without prejudice to the consultation provisions on the Agreement.

E. The U.S. authorities will, within 30 days from the receipt of the appropriate data from the Philippines, either finish the reconciliation requested or propose a solution to the problems arising therefrom.

F. The specific limit for Category 645/6 NT will be increased by 21,058 dozen to 144,516 dozen for 1985 only.

G. That Annex B of the Agreement be amended by deleting the entries concerning Category 431, and by substituting therefor the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>431</td>
<td>Doz. Pr.</td>
<td>150,000</td>
<td>151,500</td>
</tr>
<tr>
<td>604</td>
<td>Pounds</td>
<td>2,156,939</td>
<td>2,221,647</td>
</tr>
</tbody>
</table>
If your Government agrees to this proposal, this note and your responses on behalf of your Government shall constitute an amendment to the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

(Sgd.) Denis Lamb

The Embassy of the Philippines would like to inform the Government of the United States that the Government of the Philippines interposes no objections to the proposal contained in the aforequoted note verbale of April 9, 1985 and that therefore this note and your note of April 9, 1985 shall constitute an amendment to the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

[Signature]

Benjamin T. Romualdez
Ambassador