ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement between
the United States and Korea

Note by the Chairman

Attached is a notification received from the United States of a further modification of its bilateral agreement with Korea. The amendment concerns a limit on merged Categories 670L (mmf luggage) and 670B (braided mmf luggage), and sub-limits on 670L and 670B.

* The bilateral agreement and previous modifications are contained in COM.TEX/SB/860, 889, 914, 941, 969, 1042, 1058, 1071, 1111 and 1147.

* English only/Anglais seulement/Inglés solamente

86-0885
Dear Mr. Chairman:

This is to notify the TSB that the U.S. and Korea have agreed to a merger of Category's 670L (mmf luggage) and 670B (braided mmf luggage), with the establishment of new specific sub-limits for both.

The U.S. had requested consultations with Korea on 29 July 1985 pursuant to Article 3 of the Arrangement for Category 670B. The rollback level (year-ending April 1985) was 2,618,256 lbs. In the amendment now being notified, a limit for the last four months was established for Category 670B and a merged Category (670L/670B) was established for 1986. Special provision was made for levels in 1985 as follows:

(1) the limit for the four-month period September 1 - December 31 1985 was set at 1.2 million pounds, and

(2) special carryforward of 400,000 pounds was provided for this period.
In this merged Category, the sub-limit for 670L has been increased, with the sub-limit for 670B set at a lower level as shown below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Former 1986 Limit or Rollback Level (lbs)</th>
<th>New 1986 Limit (lbs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>670L</td>
<td>22,550,000</td>
<td>24,750,000</td>
</tr>
<tr>
<td>670B</td>
<td>2,618,256</td>
<td>1,250,000</td>
</tr>
<tr>
<td>670L/670B</td>
<td>25,168,256</td>
<td>26,000,000</td>
</tr>
</tbody>
</table>

Growth for this new merged category is set at 2 percent; swing is not available.

Enclosed are copies of the notes giving effect to this amendment.

Sincerely,

Robert E. Shepherd
Minister-Counselor

Enclosure
March 17, 1986

UNITED STATES AND KOREA AMEND
BILATERAL TEXTILE AGREEMENT

The United States and Korea 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
January 13, 1986

Mr. Hwan-Eik Cho
Commercial Attaché
Embassy of the Republic of Korea
2020 Massachusetts Avenue, N.W.
Washington, D.C. 20008

Dear Mr. Cho:

This letter refers to consultations between representa­tives of our Governments held December 17-18, 1985 and
January 3, 1986 in Washington D.C. It is the understanding of
my Government that the following was agreed:

Category 670 part, man-made fiber luggage, wholly or in part
braid (TSUSA number 706.3420) shall be merged with Category
670 part, man-made fiber luggage (TSUSA numbers 706.4152 and
706.4144) and incorporated into Annexes A and B of the Agreement
and into the visa and certification agreement. For the 1986
Agreement Year, Korea shall limit total exports of man-made
fiber luggage, braid and non-braid, to 26 million pounds.
Sublimits are established for braid and non-braid luggage for
1986 in the amounts of 1,250,000 pounds and 24,750,000 pounds,
respectively. Growth of 2.5 percent will be applied for the
remainder of the Agreement. Swing and shift are not available.
For the period September 1 through December 31, 1985, Korea
shall limit exports from Korea to the U.S. of man-made fiber
luggage, wholly or in part braid, to 1.2 million pounds.
Special carryforward for braided luggage is available from
the 1986 braid sublimit in an amount up to 400,000 pounds.

For more information contact: EB/TEX: L. CUMMINGS (202) 647-2777
If this conforms to the understanding of your Government, this letter and your letter of confirmation on behalf of your Government shall constitute an amendment to the Agreement.

Sincerely,

Paul P. Pilkauskas
Chief, Textiles Division
Bureau of Economic and Business Affairs

KOREA LETTER

Washington
January 21, 1986

Mr. Paul P. Pilkauskas
Chief, Textiles Division
Bureau of Economic and Business Affairs
United States Department of State
Washington, D.C. 20520

Dear Mr. Pilkauskas


I am pleased to confirm the result of the forementioned Consultations as the following:

Category 670 part, man-made fiber luggage, wholly or in part braid (TSUSA number 706.3420) shall be merged with Category 670 part, man-made fiber luggage (TSUSA numbers 706.4152 and 706.4144) and incorporated into Annexes A and B of the Agreement and into the visa and certification agreement. For the 1986 Agreement Year, Korea shall limit total exports of man-made fiber luggage, braid and non-braid, to 26 million pounds. Sublimits are established for braid and non-braid luggage for 1986 in the amounts of 1,250,000 pounds and 24,750,000 pounds, respectively. Growth of 2.5 percent will be applied for the remainder of the Agreement. Swing and shift are not available. For the period September 1 through December
31, 1985, Korea shall limit exports from Korea to the U.S. of man-made fiber luggage, wholly or in part braid, to 1.2 million pounds. Special carryforward for braided luggage is available from the 1986 braid sublimit in an amount up to 400,000 pounds.

If the above conforms to the understanding of your Government, this letter and your letter of Jan. 13, 1986 will constitute an amendment to the Agreement.

Sincerely,

Hwan-Eik Cho
Commercial Attache