ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment of the bilateral agreement between the United States and Mexico

Note by the Chairman

Attached is a notification received from the United States of an amendment of its bilateral agreement with Mexico. Modifications were made to the Group II Aggregate DCL and several category-DCLs as well as to the specific limit on one merged category; special shift was provided between two sets of sub-limits. ¹

¹The text of the bilateral agreement, its amendments, a previous extension and further amendments are contained in COM.TEX/SB/441, 618, 643, 749, 796, 1018, 1019 and 1020; a two year extension is contained in COM.TEX/SB/1183

*English only/Anglais seulement/Inglés solamente

87-0004
December 18, 1986

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

Dear Ambassador Raffaelli:

Pursuant to the provisions of paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I am instructed by my government to inform the Textile Surveillance Body of the amendment of the bilateral textile agreement between the Government of the United States of America and the Government of Mexico.

This amendment involves the creation of two new merged designated consultation levels (DCL's); increases in six existing DCL's and a decrease in one other; increase in one specific limit; and the granting of special swing (shift) between two sets of sublimits. The amendment also removes category 666 from the Group II DCL and reduces that DCL by roughly one-half that amount.

Additional information to facilitate preparation of a fact sheet is being provided separately. Copies of the notes giving effect to this amendment are enclosed.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosures
UNITED STATES AND MEXICO AMEND BILATERAL TEXTILE AGREEMENT

The United States and Mexico amended their bilateral textile agreement. Text of the notes follow:

UNITED STATE NOTE

October 22, 1986

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on December 20, 1973 and extended by protocol on December 14, 1977 and December 22, 1981 and July 31, 1986 (the Arrangement), and to the Agreement Between the United States of America and the United Mexican States Relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, with Annexes, effected by exchange of notes February 26, 1979 (the Agreement). I also have the honor to refer to recent discussions held October 8, 9 and 10, 1986 between representatives of our Governments in Washington, DC.

I have the honor to propose, on behalf of my Government, that the Agreement be amended as follows:

For more information contact: EB/TEX: S. SALEM (202) 647-2777
1) The Designated Consultation Levels (DCLs) listed below shall be revised to the following levels for the 1986 and 1987 Agreement Years:

<table>
<thead>
<tr>
<th>Category</th>
<th>DCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>336/636</td>
<td>140,000 dozen</td>
</tr>
<tr>
<td>342/642</td>
<td>150,000 dozen</td>
</tr>
</tbody>
</table>

2) The Designated Consultation Levels (DCLs) listed below shall be revised to the following levels for the 1986 Agreement Year only:

<table>
<thead>
<tr>
<th>Category</th>
<th>DCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>338/339</td>
<td>475,000 dozen</td>
</tr>
<tr>
<td>340</td>
<td>135,000 dozen</td>
</tr>
<tr>
<td>352/652</td>
<td>1,000,000 dozen</td>
</tr>
<tr>
<td>604-A</td>
<td>1,150,000 lbs.</td>
</tr>
<tr>
<td>604-O</td>
<td>1,600,000 lbs.</td>
</tr>
<tr>
<td>666</td>
<td>4,000,000 lbs.</td>
</tr>
</tbody>
</table>

Category 666 shall not be included in Group II and, accordingly, the Group II Aggregate DCL shall be amended to 45,000,000 SYE for the 1986 and 1987 Agreement Years.

3) Pursuant to Paragraph 18 of the July 31, 1986 Protocol of Extension to the MPA, for Category 341/641, the 1986 Specific
Limit shall be increased to 615,000 dozen, and the 1987 Specific Limit to 651,900 dozen. The Sub-Limit for blouses made of yarn-dyed fabrics shall not be changed. Also, the DCL for Category 335 shall be amended to 40,000 dozen for the 1986 and 1987 Agreement Years.

4) A special shift of 20 percent shall be available between the Sub-Limits for 347 and 348, and between the Sub-Limits for 647 and 648 for the 1986 and 1987 Agreement Years.

If this proposal is acceptable to your Government, this note and your note of confirmation shall constitute an amendment to the Agreement.

For the Secretary of State:

Ralph R. Johnson

MEXICO NOTE

Excellency:


I have the honor to acknowledge receipt of your note dated October 22, 1986, proposing to amend the Agreement between the United Mexican States and the United States of America relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textiles Products, with annexes, effected by exchange of notes February 26, 1979, as amended (the Agreement).
On behalf of the Government of Mexico, I would like to confirm to you that the terms expressed in your aforementioned note conform with the understanding reached during recent discussions held in Washington, D.C. on October 8, 9 and 10, 1986, between representatives of our Governments.

Therefore, your note and this note of confirmation constitute an amendment to the Agreement.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Jorge Espinosa de los Reyes
Ambassador