TEXTILES SURVEILLANCE BODY

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between the United States and Bulgaria

Note by the Chairman

Attached is a notification made under Articles 7 and 8 received from the United States of a bilateral agreement concluded with Bulgaria for the period 1 May 1986 to 30 April 1989."

*English only/Anglais seulement/Inglés solamente

87-0746
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1211 Geneva

Dear Ambassador Raffaelli:

Pursuant to the provisions of Articles 7 and 8 of the Arrangement Regarding International Trade in Textiles, I am informing the Textiles Surveillance Body of the conclusion of a new bilateral textile agreement between the Government of the United States of America and the Government of the Bulgaria.

Copies of the notes giving effect to this agreement are enclosed.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosure
UNITED STATES AND BULGARIA SIGN NEW BILATERAL AGREEMENT

The United States and Bulgaria exchanged notes on June 20, 1986, and November 27, 1986 to effect a new bilateral agreement between the two countries. Texts of the notes follow:

UNITED STATES NOTE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the People's Republic of Bulgaria and has the honor to refer to the discussions in Washington June 5-6, 1986 between representatives of the Government of the United States and the Government of the People's Republic of Bulgaria concerning exports to the United States of certain wool textile products manufactured in Bulgaria. As a result of these discussions, the Government of the United States proposes the following agreement (hereinafter referred to as the "Agreement") relating to trade in wool textile products between Bulgaria and the United States.

1. The term of the Agreement shall be from May 1, 1986 to April 30, 1989. The first Agreement period shall be from May 1, 1986 to April 30, 1987. The second period shall be from May 1, 1987 to April 30, 1988. The third Agreement period shall be from May 1, 1988 to April 30, 1989.
2. The category of textile products covered by the Agreement and the rate of conversion into square-yard equivalents are set out in Annex A. The determination of whether a textile product is of wool shall be made in accordance with the terms of paragraph 3.

3. During the term of the Agreement, the Government of Bulgaria shall limit annual exports from Bulgaria to the United States of the textile products listed in Annex A to the specific limit set forth in Annex B hereto, as such limit may be adjusted in accordance with paragraph 4. The limit set out in Annex B is without such adjustments. Exports are subject to a limit for the period in which they are exported.

4. (A) In any Agreement period, exports may exceed by a maximum of 11 percent any specific limit set out in Annex B by allocating to such limit for that Agreement period an unused portion of the corresponding limit for the previous Agreement period ("carryover") or a portion of the corresponding limit for the succeeding Agreement period ("carryforward") subject to the following conditions:

(1) Carryover may be utilized as available (subject to sub-paragraph 4 (B) up to 11 percent of the receiving Agreement period's applicable limit. No carryover shall be available during the first Agreement year.
(2) Carryforward may be utilized up to six percent of the receiving Agreement period's applicable limit. Carryforward used shall be charged against the immediately following Agreement period's corresponding limit. No carryforward shall be available during the last Agreement year.

(B) For purposes of the Agreement, a shortfall occurs when exports of textile products from Bulgaria to the United States during an Agreement period are below the applicable specific limit as set out in Annex B. In the Agreement period following the shortfall, such exports from Bulgaria to the United States may be permitted to exceed the limit applicable to that period, subject to the conditions of sub-paragraph 4 (A), by carryover of an amount not to exceed the actual shortfall in the previous period.

(C) The Government of the United States may apply adjustments under this paragraph to any specific limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the Agreement. Any unused carryforward will be credited to the following period's limit. This procedure will not prejudice the outcome of any consultations that may be held between the Governments of Bulgaria and the United States concerning the amounts of available carryover and carryforward.

5. Textile products listed in Annex A hereto (being products which derive their chief characteristics from their textile components) of wool or blend of wool, cotton and/or man-made fiber materials, in which the wool component comprises the chief value of the fibers or 17 percent or more by weight of all fibers, are subject to the Agreement.
6. (A) The Government of the United States may assist the
Government of Bulgaria in implementing the limitation provisions
of the Agreement by controlling its imports of the textile
products covered by the Agreement.

(B) Exports from Bulgaria in excess of the authorized limit
in any Agreement period may be denied entry into the United
States. Any such shipments denied entry may be permitted entry
into the United States and charged to the applicable limit in the
succeeding Agreement period.

(C) Exports from Bulgaria in excess of the authorized limit
in any Agreement period will, if allowed entry into the United
States during that Agreement period, be charged to the applicable
limit in the succeeding agreement period.

7. The Government of the United States shall promptly
supply the Government of Bulgaria with monthly data on imports of
textile products subject to this Agreement; and the Government of
Bulgaria shall promptly supply the Government of the United States
with quarterly data on exports of such products to the United
States. Each Government agrees to supply promptly any other
pertinent, readily available statistical data requested by the
other Government.

8. The Government of the United States and the Government
of Bulgaria agree to consult on any question arising in the
implementation of this Agreement.
9. 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.

10. The Government of Bulgaria shall use its best efforts to space exports from Bulgaria to the United States of the textile products covered by this Agreement evenly throughout each Agreement period, taking into account normal seasonal factors.

11. The Government of Bulgaria and the Government of the United States shall cooperate to avoid circumvention of this Agreement.

12. The Government of the United States and the Government of Bulgaria may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other about such proposals with a view to making such revisions to this Agreement or taking such other appropriate action as may be mutually agreed upon.

13. Either Government may terminate the Agreement effective at the end of any Agreement period by written notice to the other Government to be given at least ninety days prior to the end of such Agreement period.

14. If the foregoing proposal is acceptable to the Government of the People's Republic of Bulgaria, this note and a note of acceptance on behalf of the Government of Bulgaria shall constitute an Agreement between the Government of the United States and the Government of the People's Republic of Bulgaria effective from May 1, 1986.
The Government of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the People's Republic of Bulgaria the assurances of its highest consideration.

ANNEX A

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DESCRIPTION</th>
<th>CONVERSION FACTOR</th>
<th>UNIT OF</th>
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<tbody>
<tr>
<td>435</td>
<td>Wool coats for women, girls and infants</td>
<td>54.00</td>
<td>Dozens</td>
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ANNEX B

<table>
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<tr>
<th>CATEGORY</th>
<th>DESCRIPTION</th>
<th>UNIT 5/1/86-4/30/87</th>
<th>5/1/87-4/30/88</th>
<th>5/1/88-4/30/89</th>
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<tbody>
<tr>
<td>435</td>
<td>Wool coats for women, girls and infants.</td>
<td>DOZ 11,500</td>
<td>11,615</td>
<td>11,731</td>
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BULGARIA NOTE

February 27, 1986

The Ministry of Foreign Affairs of the People's Republic of Bulgaria presents its compliments to the Embassy of the United States of America in Sofia and has the honor to confirm receipt of its note no. 142 of June 30, 1986, the text of which reads as follows:
The Bulgarian translation of note no. 142 agrees in all substantive respects with the original English text, with the following exceptions:

a. On Page 4, in paragraph 11 of the English text, the sentence "The Government of Bulgaria and the Government of the United States shall cooperate to avoid circumvention of this Agreement" is rendered as "The Government of Bulgaria and the Government of the United States shall cooperate to prevent misunderstandings in regard to this Agreement."

b. In Annex A and Annex B, the heading "Wool coats for women, girls, and infants" is rendered as "Wool coats for women, girls, and children."

In reply, the Ministry of Foreign Affairs of the People's Republic of Bulgaria has the honor to state that the Government of the People's Republic of Bulgaria accepts the proposal of the Government of the United States of America and concurs that the Embassy note and this reply thereto shall constitute an Agreement between the Government of the People's Republic of Bulgaria and the United States of America.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America in Sofia its assurances of its highest consideration.

Sofia
November 27, 1986

[Seal of the Ministry of Foreign Affairs of the People's Republic of Bulgaria]