Arrangement Regarding International Trade in Textiles

Communication Regarding Bilateral Consultations on Article 3:5 Measures and a Notification Under Article 11:4

Costa Rica/United States

Note by the Chairman

Attached is a communication received from Costa Rica concerning consultations held with the United States on Categories 342/642 and 347/348 which had been placed under Article 3:5 restraints.

The agreed memorandum of understanding on Category 342/642 attached to the communication is not intended by Costa Rica to constitute a notification under Article 4,1 but is solely for TSB information.

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1Reference of the matters by Costa Rica under Article 11:4, and notification of the Article 3:5 measures by the United States are contained in TEX/SB/1530 and Add.1

*English only/Anglais seulement/Inglés solamente
Dear Sir,

I have pleasure in writing to inform you of the result of the textile negotiation conducted with the United States Government on 12 and 13 December last.

On that occasion, there were discussions concerning categories 342/642 (skirts of cotton and synthetic fibres) and an agreement was reached, leading to the signature of the Memorandum of Understanding, a copy of which is attached hereto.

In respect of categories 347/348 (men's and women's trousers, slacks and shorts, of cotton), however, it was not possible to arrive at an agreement.

(signed) Francisco Chacon
Textile Negotiator
Directorate of Textile Negotiations
MEMORANDUM OF UNDERSTANDING

Representatives of the Governments of Costa Rica and the United States met in Washington November 2-4 and again December 12-13 to discuss exports of Costa Rican textile and apparel products to the United States. As a result of those negotiations, the Governments agreed to establish the following specific limits and guaranteed access levels on Costa Rican exports of Category 342/642 skirts to the United States for the three-year period June 1, 1988 to May 31, 1991.

<table>
<thead>
<tr>
<th>Period</th>
<th>Specific Limit</th>
<th>Guaranteed Access Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 1988</td>
<td>247,000 dozen</td>
<td>-0-</td>
</tr>
<tr>
<td>May 31, 1989</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 1, 1989</td>
<td>212,264 dozen</td>
<td>250,000 dozen</td>
</tr>
<tr>
<td>May 31, 1990</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 1, 1990</td>
<td>225,000 dozen</td>
<td>250,000 dozen</td>
</tr>
<tr>
<td>May 31, 1991</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These limits shall benefit from normal flexibility as detailed in the current United States-Costa Rica Bilateral Textile Agreement.

These limits include all appropriate adjustments for migration resulting from implementation of the harmonized system by the United States.

The parties further agreed to reaffirm, as stated in the Bilateral Textile Agreement, that:

The Government of Costa Rica and the Government of the United States 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 amendments to this Agreement, or taking such other appropriate action as may be mutually agreed upon.

The parties agreed that in order to facilitate trade, the United States will implement the specific limit for the first Agreement period based upon this Memorandum. Both sides also agreed to formally exchange diplomatic notes to confirm the provisions of this Memorandum.

For the Government of the Republic of Costa Rica

For the Government of the United States of America
06 de enero de 1989
UPC/005/89

Señor
Marcelo Raffaeli
Presidente
Organo de Vigilancia de los Textiles
Ginebra, Suiza

Estimado señor:

Tengo el agrado de dirigirme a usted en la oportunidad de informarle sobre el resultado de la negociación textil realizada el pasado 12 y 13 de diciembre con el Gobierno de los Estados Unidos.

En el transcurso de esos días se discutió sobre las categorías 342/642 (enaguas de algodón y fibras sintéticas) y se llegó a un acuerdo, el cual concluyó con la firma del Memorandum de Entendimiento, copia del cual le adjunto.

En relación con las categorías 347/348 (pantalones largos y cortos de algodón para hombre y mujer) no ha sido posible todavía llegar a un Acuerdo.

Con las muestras de mi consideración y estimación:

Le saluda atentamente,

Francisco Chacón
Negociador de Textiles
Dirección de Negociaciones Textiles

CC: Sr. Jorge Rhenán Segura
Misión Permanente de Costa Rica
en Ginebra, Suiza