ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendments of the bilateral agreement between
the United States and Uruguay

Note by the Chairman

Attached is a notification received from the United States of further amendments to its bilateral agreement with Uruguay. Paragraph 14 of the 1986 Protocol was taken into account in making the amendments of the agreement scheduled to expire on 30 June 1991.¹

¹The bilateral agreement and previous amendments are contained in COM.TEX/SB/973, 1022, 1121, 1142, 1157 and 1393.

* English only/Anglais seulement/Inglés solamente
May 8, 1991

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

Dear Ambassador Raffaelli:

Enclosed hereto are two amendments to the bilateral agreement between the U.S. and Uruguay.

The first modifies paragraph three of the bilateral to reflect adoption by the United States of the harmonized commodity code. The second involves the extension and modification of the limit on wool fabric (category 410) and the establishment of a new restraint on cotton coats (category 334). Both restraints were adjusted to cover the same periods as the other restraints in the bilateral, i.e., with agreement years running from July 1 through June 30. All restraints in the agreement now run through June 30, 1991.

The U.S. sought the extension of the restraint on category 410 and the establishment of a restraint on category 334 to deal with problems of market disruption. The negotiations were conducted in the light of paragraph 14 of the 1986 protocol as well as the other relevant provisions of the arrangement as extended.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosures
The United States and The Republic of Uruguay exchanged notes on November 14, 1988 and June 20, 1989 to amend their bilateral textile agreement. Texts of the notes follow:

UNITED STATES NOTE

Montevideo, November 14, 1988

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Oriental Republic of Uruguay and has 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 July 31, 1985 (the Arrangement), and to the bilateral textile agreement between the Oriental Republic of Uruguay and the United States of America effected by an exchange of notes in Montevideo on December 30, 1983 and January 73, 1984, as amended (the agreement).

The Embassy has the further honor to refer to impending January 1, 1989 adoption of the United States of the Harmonized Commodity Code as called for in the Trade and Competitiveness Act of 1988 which was signed into law on August 23, 1988.

In order to properly implement all provisions of the Harmonized Commodity Code and to bring the bilateral textile agreement between Uruguay and the United States into conformance with the Harmonized Commodity Code, the Embassy has the honor to propose the following new classification language to replace the current Paragraph 3 of the bilateral agreement:
3) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components of cotton, wool or man-made fiber or blends thereof, in which any or all of those fibers in combination represent the chief weight of the product, are subject to this agreement. For the purposes of this agreement, textile products covered by this paragraph shall be classified as:

(I) Cotton textiles, if the product is in chief weight of cotton, or if the cotton with wool and/or man-made fibers in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fiber components, unless the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.

(II) Wool textiles, if the product is in chief weight of wool, or, in the case of products which are chief weight of silk or non-cotton vegetable fibers, wool exceeds 17 percent by weight of all fibers.
(III) Man-made fiber textiles, if the product is in chief weight of man-made fibers, or if the man-made fibers in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the man-made fiber component exceeds the weight of the total wool and/or cotton component, unless:

(a) The product in knitted or crocheted apparel in which wool equals or exceeds 23 percent by weight of all fibers, in which case the product will be a wool textile; or

(b) The product in apparel, not knitted or crocheted, in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile; or

(c) The product in a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.

Coverage under this Paragraph is intended to be identical with the terms of Article 12 of the Arrangement regarding International Trade in Textiles, and in conformance with Paragraph 24 of the July 31, 1986 Protocol of Extension. In the event of a question regarding whether a product is covered by this agreement by virtue
of being chief weight cotton, wool, and man-made fiber, the chief value of the fibers may be considered.

If this proposal is acceptable to the Government of Uruguay, then this note and the Ministry's note of confirmation shall constitute an amendment to the agreement.

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

Embassy of the United States of America,

Montevideo, November 14, 1900.
URUGUAY NOTE

Montevideo, June 20, 1989

D. Treaties and Boundaries
Note No. 48/989

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of its Note Verbale No. 405 dated November 14, 1988, which reads as follows:

[The Spanish text of the Embassy's Note Verbale No. 405 of November 14, 1988, agrees in all substantive respects with the original English text, with the following exception:

In the first paragraph, line 8, the year of the Protocol of July 31 is 1985 in the English text and 1986 in the Spanish text.

A minor spelling error has been corrected in pencil in the Spanish text.]

The Ministry of Foreign Affairs states that the Government of the Oriental Republic of Uruguay is in agreement with the foregoing and avails itself of this opportunity to renew to the

The Embassy of the United States of America, Montevideo.

Embassy of the United States of America the assurances of its highest consideration.

Montevideo, June 20, 1989

[Signature]

Luis Barrios Tassano
Minister of Foreign Affairs
The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Oriental Republic of Uruguay and has 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 July 31, 1985 (the Arrangement), and to the agreement between the Oriental Republic of Uruguay and the United States of America by an exchange of notes in Montevideo on December 30, 1983 and January 21, 1984, as amended.

The Embassy has the further honor to refer to the bilateral consultations held in Washington, D.C. on October 17, 1988 between representatives of the Oriental Republic of Uruguay and the United States of America and to Article 4 of the Arrangement and Paragraph 14 of the 1986 Protocol of Extension to the Arrangement. As a result of those consultations, the Embassy has the honor to propose the following amendments to the bilateral textile agreement between Uruguay and the United States.

The specific limit for Category 410 shall be as follows, based on a nominal annual limit in the first year of 3,150,000 square yards (SYD),
with a sublimit on 410-A (woolens) of no more than 1,800,000 SYD and a sublimit on 410-B (worsted) of no more than 2,900,000 SYD, as stated in the memorandum of understanding dated October 17, 1988. The following table lists the agreed upon levels in imperial units and metric units for each category and subcategory for the respective agreement periods as detailed in the October 17 memorandum of understanding. The actual specific limits for each category and subcategory for each agreement period shall be the metric unit version of each negotiated limit.

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<tr>
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<tbody>
<tr>
<td>112</td>
<td>4,462,500 SYD (3,731,218 SM)</td>
<td>3,181,500 SYD (2,660,139 SM)</td>
</tr>
<tr>
<td>410-A</td>
<td>2,550,000 SYD (2,132,128 SM)</td>
<td>1,818,000 SYD (1,520,080 SM)</td>
</tr>
<tr>
<td>410-B</td>
<td>4,108,333 SYD (3,435,090 SM)</td>
<td>2,929,000 SYD (2,449,017 SM)</td>
</tr>
</tbody>
</table>

Swing, carryover and carryforward shall be available for the sublimits as well as for the specific limit.

The specific limit for Category 334 shall be as follows, based on a nominal annual limit in the first year of 82,500 dozen.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>41,250 dozen</td>
<td>87,450 dozen</td>
<td>92,597 dozen</td>
</tr>
</tbody>
</table>
If this proposal is acceptable to the Government of the Oriental Republic of Uruguay, then this note and the Ministry's note of confirmation shall constitute an amendment to the agreement.

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

Embassy of the United States of America,
Montevideo, November 9, 1908.
No. 011

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Oriental Republic of Uruguay and has 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 July 31, 1985 (the Arrangement), and to the agreement between the Oriental Republic of Uruguay and the United States of America by an exchange of notes in Montevideo on December 30, 1983 and January 23, 1984, as amended.

The Embassy has the further honor to refer to the bilateral consultations held in Washington, D.C. on October 17, 1988 between representatives of the Oriental Republic of Uruguay and the United States of America, to Article 4 of the Arrangement and Paragraph 14 of the 1986 Protocol of Extension to the Arrangement and to its note No. 400 of November 9, 1988 regarding those consultations.

The Embassy wishes to inform the Ministry that the above note contains an error regarding the specific limit for Category 334. The correct limit shall be as follows, based on a nominal annual limit in the first year of 87,500 dozen:

41,250 dozen  87,450 dozen  92,697 dozen

Please note that the correct amount in the period July 1, 1990 - June 30, 1991 is 92,697 dozen instead of the 92,597 dozen stated in note No. 400.

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

Embassy of the United States of America,

Montevideo, January 18, 1909.
El Ministerio de Relaciones Exteriores presenta sus más atentos saludos a la Honorable Embajada de los Estados Unidos de América y tiene el honor de hacer referencia a las Notas No. 400 de fecha 9 de noviembre de 1988 y No. 11 de fecha 18 de enero de 1989, cuyos textos se transcriben:

No. 400.

"La Embajada de los Estados Unidos de América presenta sus más atentos saludos al Ministerio de Relaciones Exteriores de la República Oriental del Uruguay y tiene el honor de hacer referencia al Acuerdo relativo al Comercio Internacional de los Textiles, con Anexos, celebrado en Ginebra con fecha 20 de diciembre de 1973 y prorrogado por el Protocolo del 31 de julio de 1985 (el Acuerdo), y al acuerdo entre la República Oriental del Uruguay y los Estados Unidos de América efectuado en Montevideo por intercambio de notas del 30 de diciembre de 1983 y 23 de enero de 1984 y modificativas."

"La Embajada tiene asimismo el honor de hacer referencia a las consultas bilaterales celebradas en Washington, D.C. el 17 de octubre de 1988 entre los representantes de la República Oriental del Uruguay y de los Estados Unidos de América y al Artículo 4 del Acuerdo y al Párrafo 14 del Protocolo de 1986 de Prórroga del Acuerdo. Como resultado de dichas consultas, la Embajada tiene el honor de proponer las siguientes enmiendas del acuerdo bilateral de textiles entre el Uruguay y los Estados Unidos."

A la Honorable Embajada de los Estados Unidos de América
Montevideo.
límite específico para la Categoría 410 será el viento, en base a un límite nominal anual en el primer de 3.150.000 yardas cuadradas (SYD), con un sublímite 410-A (tejidos de lana cardada) de no más de 1.800.000 yardas cuadradas y un sublímite en 410-B (tejidos de lana nada) de no más de 2.900.000 yardas cuadradas, según se aboce en el memorándum de entendimiento de fecha 17 de octubre de 1988. La tabla a continuación enumera los ellos acordados en unidades inglesas y unidades métricas a cada categoría y subcategoría para los periodos pactivos del acuerdo, según se detalla en el memorándum entendimiento del 17 de octubre. Los límites específicos para cada categoría y subcategoría para cada todo del acuerdo serán la versión en unidades métricas cada límite "negociado.

<table>
<thead>
<tr>
<th>Fecha Inicio</th>
<th>Fecha Fin</th>
<th>Límite 410</th>
<th>Límite 410-A</th>
<th>Límite 410-B</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 de febrero de 1989</td>
<td>30 de junio de 1990</td>
<td>462.500 SYD</td>
<td>2.550.000 SYD</td>
<td>87.450 docenas</td>
</tr>
<tr>
<td>01 de julio de 1990</td>
<td>30 de junio de 1991</td>
<td>1.818.000 SYD</td>
<td>2.231.125 M2</td>
<td>82.500 docenas</td>
</tr>
</tbody>
</table>

La presente propuesta merece la aceptación del Gobierno a la República Oriental del Uruguay, esta nota y la nota confirmación del Ministerio constituirán la enmienda del acuerdo de febrero de 1989.

La presente propuesta merece la aceptación del Gobierno a la República Oriental del Uruguay, esta nota y la nota confirmación del Ministerio constituirán la enmienda del acuerdo de febrero de 1989.
"La Embajada tiene asimismo el honor de hacer referencia a las consultas bilaterales celebradas en Washington, D.C. el 17 de octubre de 1988 entre los representantes de la República Oriental del Uruguay y de los Estados Unidos de América, al Artículo 4 del Acuerdo y Párrafo 14 del Protocolo de 1986 de Prórroga del Acuerdo y a su nota No. 400 del 9 de noviembre de 1988 relativa a dichas consultas."

"La Embajada desea informar al Ministerio que la mencionada nota contiene un error con respecto al límite específico para la Categoría 334. El límite correcto será el siguiente, en base a un límite nominal anual en el primer año de 82.500 docenas."

"Enero 1o., 1989- Julio 1o., 1989- Julio 1o., 1990-"

"41.250 docenas 87.450 docenas 92.697 docenas"

"Se hace notar que la cifra correcta en el periodo Julio 1o., 1990-Junio 30, 1991 es 92.697 docenas en lugar de las 92.597 docenas que se establecen en la nota No. 400. "La Embajada de los Estados Unidos de América se valle de esta oportunidad para reiterar al Ministerio de Relaciones Exteriores las seguridades de su más alta consideración."

En tal virtud, el Ministerio de Relaciones Exteriores tiene el agrado de manifestar a la Honorable Embajada de los Estados Unidos de América la concordancia del Gobierno de la República Oriental del Uruguay con lo arriba expuesto.

El Ministerio de Relaciones Exteriores hace propicia la oportunidad para reiterar a la Honorable Embajada de los Estados Unidos de América las seguridades de su más alta consideración.

Montevideo, 26 de julio de 1989.