ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment of the bilateral agreement between
the United States and Pakistan

Note by the Chairman

Attached is a notification received from the United States of a further amendment of its bilateral agreement with Pakistan.¹

¹The bilateral agreement and previous amendments are contained in COM.TEX/SB/1322, 1323 and 1475.

*English only/Anglais seulement/Inglés solamente
August 7, 1991

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

Dear Ambassador Raffaelli:

Enclosed pursuant to Article 4.4 of the arrangement are copies of notes amending the U.S.-Pakistan bilateral textile agreement by, inter alia: (1) eliminating Group III and the MCL consultation provisions contained therein; (2) dropping several DCL's and one specific limit, while maintaining and transferring others; (3) creating three new specific limits; (4) providing for increased flexibility for some categories; (5) moving three categories from Group II to Group I and adjusting the Group II limit accordingly; and (6) agreeing on new language on "Cooperation in the Prevention of Circumvention."

In a separate Memorandum of Understanding, agreement was reached to increase the 1990 level for a DCL and as how charges for overshipments in 1989 would be applied in 1990.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosure
UNITED STATES AND PAKISTAN AMEND
BILATERAL TEXTILE AGREEMENT
BY EXCHANGE OF NOTES ON NOVEMBER 30, 1990
AND DECEMBER 20, 1990

The United States and Pakistan amended their bilateral textile agreement. Texts of the notes follow:

UNITED STATES NOTE

DEPARTMENT OF STATE
WASHINGTON

November 30, 1990

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on December 20, 1973, as extended by Protocols. I further have the honor to refer to the bilateral agreement between the Government of Pakistan and the Government of the United States concerning trade in textiles and textile products, effected by exchange of notes dated May 20 and June 11, 1987, as amended (the Agreement), and to discussions between representatives of our two Governments in Islamabad from December 10 through 13, 1989, concerning exports of textiles and textile products from Pakistan to the United States.

For more information contact:

Samuel Keller
EB/TEX Rm. 3336
(202)-647-2363
A Memorandum of Understanding (MOU) was signed by the two heads of delegation at the conclusion of the discussions mentioned above. This MOU provided for, inter alia, the restructuring and modification of various limits under the Agreement. A complete list of the limits in effect under the Agreement, as restructured and modified by the MOU, is contained in Annex A. The MOU also included new language on Cooperation in the Prevention of Circumvention to replace paragraph 22 of the Agreement. This new language is contained in Annex B.

If the foregoing is acceptable to the Government of Pakistan, this note and your Excellency's note of confirmation on behalf of the Government of Pakistan shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

Enclosures:

Annex A - Limits in Effect Under the Agreement
Annex B - Cooperation in the Prevention of Circumvention
# LIMITS IN EFFECT UNDER THE AGREEMENT

## GROUP I - SPECIFIC LIMITS

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Growth Rate</th>
<th>Swing</th>
<th>Base Level For 1990</th>
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<tr>
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<td>SMT</td>
<td>(A)</td>
<td>7</td>
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<tr>
<td>315</td>
<td>SMT</td>
<td>(U)</td>
<td>7</td>
<td>$89,280,745</td>
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<td>331/631</td>
<td>DPR</td>
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<td>DOZ</td>
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<td>DOZ</td>
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<td>338</td>
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<td>347/348</td>
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<td>369-D</td>
<td>KGS</td>
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<td>7</td>
<td>1,111,341</td>
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<tr>
<td>369 R</td>
<td>KGS</td>
<td>7</td>
<td>7 (U)</td>
<td>6,093,173</td>
</tr>
</tbody>
</table>

*Please see footnotes at end of table.*
The agreed 1991 base level for Category 226/313 will be 75,167,438 SMT.

The agreed 1991 base level for Category 315 will be 51,576,942 SMT.

Special Shift from Category 638/639 will be permitted into Category 338 at 5% and into Category 339 at 10% of the receiving category. This shift will automatically revert at the end of 1990, but can be reinstated in 1991 at the request of the Government of Pakistan.

Swing into Category 369-R is permitted, but swing out of this category is not permitted.
**UNITED STATES NOTE**

**GROUP II - OTHER COTTON CATEGORIES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Base Level For 1990</th>
</tr>
</thead>
</table>

*Annual growth rate is 7%.*

**Designated Consultation Levels Within Group II**

<table>
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<th>Category</th>
<th>Level</th>
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<tbody>
<tr>
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<td>5,016,764 SMT</td>
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<td>350</td>
<td>25,000 DOZ</td>
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<td>369-S</td>
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**OTHER DESIGNATED CONSULTATION LEVELS**

<table>
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<th>Category</th>
<th>Level</th>
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</thead>
<tbody>
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<td>3,762,573 SMT</td>
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<tr>
<td>634</td>
<td>41,946 DOZ</td>
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<td>659</td>
<td>68,039 KGS</td>
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<tr>
<td>666</td>
<td>1,133,981 KGS</td>
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</tbody>
</table>
ANNEX B

COOPERATION IN THE PREVENTION OF CIRCUMVENTION

A. The Government of the United States and the Government of Pakistan agree to cooperate to prevent circumvention of this Agreement by transshipment, rerouting, or whatever other means.

B. Subject to domestic laws, the competent authorities of the Government of Pakistan and the United States will cooperate with each other and to this end the authorities of the Government of Pakistan and those of the United States will assist each other:

(i) in securing from parties and Government agencies documents, correspondence, and relevant reports;

(ii) by providing for plant and warehouse visits and inspections by prior notification by authorized personnel;

(iii) by facilitating personal interviews designed to ascertain needed facts.

C. Where information available to the Government of the United States or to the Government of Pakistan as a result of investigations constitutes evidence that products subject to this Agreement have been transshipped, rerouted, or otherwise imported into the United States in circumvention of this Agreement, either Government may request consultations, with each other and with other countries where exporters are involved in the circumvention with a view to seeking promptly a mutually satisfactory solution. Such consultations shall take place and be concluded within 120 days of such request.

D. The Governments of Pakistan and the United States agree that in cases where evidence is available on the basis of consultations regarding country of true origin or unauthorized shipments, the quantities involved may be charged to the existing quotas to reflect the country of true origin and unauthorized shipments. Any such adjustment together with its timing and scope shall be decided in consultation between the countries concerned with a view to arriving at a mutually satisfactory solution.
Dear Mr. Secretary,

I have the honour to acknowledge the receipt of your Note, dated November 30, 1990, regarding amendments in the United States - Pakistan Bilateral Textile Agreement concerning trade in textiles and textile products.

I have the honour to inform you that the proposals set forth in the above-mentioned Note are acceptable to the Government of Pakistan, and to confirm on behalf of the Government of Pakistan that your Note and this Note in reply thereto shall constitute an agreement between our two Governments.

Accept Mr. Secretary, the renewed assurances of my highest consideration.

For the Ambassador of Pakistan

The Honorable James Baker,
Secretary of State,
Washington DC

December 20, 1990
UNITED STATES AND PAKISTAN ADJUST LEVELS IN BILATERAL TEXTILE AGREEMENT
BY MEMORANDUM OF UNDERSTANDING SIGNED
AUGUST 24, 1990

Representatives of the Governments of Pakistan and the United States signed the following Memorandum of Understanding on August 24, 1990.

MEMORANDUM OF UNDERSTANDING

Representatives of the Government of Pakistan and the Government of the United States met in Washington August 22 and 23, 1990 to discuss administrative issues related to the implementation of the bilateral textile agreement.

They agreed as follows:

1. To increase the designated consultation level for category 659 to a level of 144,600 kilograms for the 1990 year.

2. To apply 1989 overshipment charges in categories 360, 361 and 359C to Group II in 1990.

3. To continue discussions on other administrative issues raised during the consultations.

These provisions will be applicable upon signature of this Memorandum.