ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendments to the Bilateral Agreements between
the United States and Romania

Note by the Chairman

Attached is a notification received from the United States concerning amendments to the two bilateral agreements between the United States and Romania.¹

These amendments concern the establishment of two new specific limits in the cotton agreement and an increase in the consultation level for one category in the agreement on wool and man-made fibre products.

¹The bilateral agreement on cotton, and subsequent amendments thereto, are contained in COM.TEX/SB/301, 397 and 493: that on wool and man-made fibre products is contained in COM.TEX/SB/671.

*English only/Anglais seulement.
The Honorable Paul Wurth  
Ambassador  
Chairman, Textiles Surveillance Body  
GATT  
154, rue de Lausanne  
CH-1211 Geneva 

Dear Mr. Chairman:

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 Textiles Surveillance Body of the further amendment of the cotton agreement and the amendment of the wool and man-made fiber agreement between the Government of the United States of America and the Government of the Socialist Republic of Romania.

The original cotton agreement and prior amendments have been notified and circulated as COM.TEX/SB/301, 397 (part) and 493. The wool and man-made fiber agreement has been notified and circulated as COM.TEX/SB/671.

This latest amendment to the cotton agreement replaces the designated consultation levels for categories 335 (women's and infants coats) and 340 (men's woven shirts) with specific levels. The levels are as follows:

<table>
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<tr>
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<tbody>
<tr>
<td>335 1,500,000 sye</td>
<td>2,023,700 sye</td>
<td>2,165,359 sye</td>
</tr>
<tr>
<td>340 2,820,000 sye</td>
<td>2,700,000 sye</td>
<td>2,889,000 sye</td>
</tr>
</tbody>
</table>
The new specific limits are accorded 7 percent growth, 7 percent swing and 11/6 percent carryover/carryforward.

The amendment to the wool and man-made fiber agreement increases the consultation level for category 635 from 1,700,000 sye to 1,819,000 sye for the 1981-82 agreement year.

Attached hereto are copies of the letters giving effect to these amendments.

Sincerely,

[Signature]

Robert E. Shepherd
Minister Counselor

Attachments
The United States and the Socialist Republic of Romania exchanged letters dated July 13 and July 20, 1981 to amend the existing textile agreements ("The Cotton Agreement") and ("The Wool/Man-Made Fiber Agreement"). The texts of the letters follow:

UNITED STATES LETTER

July 13, 1981
Bucharest, Romania

Mrs. Doina Ardare
Deputy Minister
Ministry of Foreign Trade

Dear Mrs. Ardare:


EB/TEX:Miles Henderson (202)632-2062
Pursuant to the above-mentioned discussions, I have the honor to propose the following with respect to The Cotton Agreement:

1. Beginning in 1981 and during the subsequent term of the Agreement, the Government of the Socialist Republic of Romania shall limit annual exports of products in categories 335 and 340 to the following specific limits, as such limits may be adjusted in accordance with paragraphs 2 and 3 below.

<table>
<thead>
<tr>
<th>Year</th>
<th>335</th>
<th>340</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>49,000 dozen</td>
<td>112,500 dozen</td>
</tr>
<tr>
<td></td>
<td>2,023,700 SYE</td>
<td>2,700,000 SYE</td>
</tr>
<tr>
<td>1982</td>
<td>52,430 dozen</td>
<td>120,375 dozen</td>
</tr>
<tr>
<td></td>
<td>2,165,359 SYE</td>
<td>2,889,000 SYE</td>
</tr>
</tbody>
</table>

These limits supersede the limits originally set out in paragraph 5 of The Cotton Agreement.

2. During any Agreement Year, either of these specific limits may be exceeded by seven percent of its total set out in paragraph 1 above, provided that the amount of the increase is compensated for by an equivalent decrease, in square yards equivalent, in the other specific limit.

3. In any Agreement Year, in addition to any adjustment pursuant to paragraph 2 above, exports may exceed by a maximum of 11 percent any specific limit set out in paragraph 1 above by allocating to such limit for that Agreement Year an unused portion of the corresponding limit for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward") subject to the following conditions:

   (1) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's limit provided, however, that no carryover shall be available for application during the first year of a specific limit;

   (2) The combination of carryover and carryforward shall not exceed 11 percent of the receiving Agreement Year's applicable limit in any Agreement Year;

   (3) Carryforward may be utilized up to 6 percent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits; no carryforward shall be available for application during the final Agreement Year;
(4) (A) Carryover of shortfall (as defined below) shall not be applied to any limits until the Governments of the United States of America and the Socialist Republic of Romania have agreed upon the amounts of shortfall involved.

(B) For purposes of the agreement, a shortfall occurs when exports of textiles and textile products from Romania to the United States of America during an Agreement Year (plus any charges for carryforward used or overshipments made in preceding years) are below any specific limit as set out in paragraph 1 above (or, in the case of any limit decreased pursuant to paragraph 2 above, when below the limit as so decreased). In the Agreement Year following the shortfall, such exports from Romania to the United States of America may be permitted to exceed the applicable limits, subject to conditions set forth above, by carryover of shortfall in the following manner:

(1) The carryover shall not exceed the amount of shortfall in any applicable limit;

(2) The shortfall shall be used in the category in which the shortfall occurred.

I also have the honor to propose, with respect to The Wool/Man-made Fiber Agreement, that the consultation level for category 635 be increased by 119,000 SYE to a level of 1,819,000 SYE for the first Agreement Year.

If this proposal is acceptable to your Government, this letter and your letter of confirmation on behalf of your Government shall serve to modify the above-mentioned Agreements.

Yours sincerely,

[Signature]

Clint F. Smith
Economic Counselor
SOCIALIST REPUBLIC OF ROMANIA LETTER

July 20, 1931

Mr. Clint Smith
Economic Counselor
Embassy of the United States of America

Dear Mr. Smith:

I have the honour to refer to the Agreement between the Socialist Republic of Romania and the United States of America Relating to Trade in Cotton Textiles, with Annex ("The Cotton Agreement") and to the Agreement between the Socialist Republic of Romania and the United States of America Relating to Trade in Wool and Man-Made Fiber Textiles ("The Wool/Man-Made Fiber Agreement").

Related to these on behalf of the Government of the Socialist Republic of Romania I would like to confirm the acceptance of the changes proposed in your letter of July 13.

I use this occasion to express my hope that your Government will also find in the future mutually acceptable solutions for the continuous development of the trade in textile products between our countries.

Sincerely,

/s/
Doina Ardare
Deputy Minister
Ministry of Foreign Trade