

**GENERAL AGREEMENT ON**CONFIDENTIAL

TEX.SB/1608

28 September 1989

**TARIFFS AND TRADE**

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Textile Surveillance BodyARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILESNotification under Article 4Amendment of the bilateral agreement  
between the United States and RomaniaNote by the Chairman

Attached is a notification received from the United States of an amendment of its two agreements with Romania. These amendments, resulting from the application of the Harmonized System, concerned the replacement of Categories 337 and 637 by new Category 237, and changes in certain administrative aspects of implementing the agreements.<sup>1</sup>

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<sup>1</sup>The bilateral wool and man-made fibre agreement and previous amendment are contained in COM.TEX/SB/1053, 1109, 1327 and 1451. The cotton agreement is contained in COM.TEX/SB/1452

\*English only/Anglais seulement/Inglés solamente



UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND

Telephone: 32 09 70

August 10, 1989

The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
General Agreement on Tariffs & Trade  
Rue de Lausanne 154  
1211 Geneva

Dear Ambassador Raffaelli:

Pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles, I am informing the Textiles Surveillance Body of the amendment of several bilateral textile agreements between the United States of America and other governments participating in the MFA. Each of these amendments involves an explanation as to how adoption by the United States of the harmonized commodity code (Harmonized System) will affect various administrative aspects of implementing the bilaterals. This includes in each case the merger of cotton and mmf playsuits (categories 337 and 637) into one new category (category 237). The governments involved are: Brazil, Hong Kong, Malaysia, Mexico, Sri Lanka and Romania. Copies of the notes giving effect to these agreements are attached.

Sincerely,

  
Robert E. Shepherd  
Minister Counsellor

Attachment

ANSWERED	DOC. ISSUED	FILED
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Director General:		Act. Inf.
TEB		X
OPER. DEPT. A		X
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# Release

United States Department of State  
Bureau of Economic and Business Affairs  
Washington, D.C.

February 27, 1989

## UNITED STATES AND ROMANIA AMEND BILATERAL TEXTILE AGREEMENT

The United States and Romania amended their bilateral textile agreement by exchange of notes dated November 28, 1988 and January 12, 1989. Texts of the letters follow:

### UNITED STATES NOTE

Bucharest, November 28, 1988

The Embassy of the United States of America presents its compliments to the Government of the Socialist Republic of Romania and has the honor to refer to the agreement between the Socialist Republic of Romania and the United States relating to the trade in cotton textiles, with annexes, effected by exchange of notes dated January 28 and March 31, 1983 as amended (The Cotton Agreement) and to the Amendment to the Cotton Agreement effected by exchange of notes dated December 30 and 31, 1987 concerning adoption of the harmonized system by the United States (The Cotton Amendment). The Embassy has the further honor to refer to the agreement between the Socialist Republic of Romania and the United States relating to trade in wool and man-made fiber textiles and textile products, with annexes, effected by exchange of notes dated November 7 and 16, 1984, as amended (The Wool and Man-Made Fiber Agreement), and to the amendment to the wool and man-made fiber agreement concerning adoption of the harmonized system by the United States, which was presented to your government in March and is still awaiting a formal response (the pending Wool and Man-Made Fiber Amendment).

The Embassy also refers to the visa system covering exports of cotton, wool, and man-made fiber textiles and textile products from the Socialist Republic of Romania to the United States effected by exchange of letters dated October 13, 1982 and August 25, 1983 (The Visa System).

As indicated in a recent letter to your Government, the Government of the United States will implement the harmonized system on January 1, 1989. Notwithstanding the current status of the pending Wool and Man-Made Fiber Amendment, the Government of the United States plans to implement the harmonized system on schedule. Therefore, those provisions of both the cotton and the pending Wool and Man-Made Fiber Amendments awaiting adoption of the harmonized system by the United States will take effect on January 1. In order to facilitate successful implementation of the harmonized system, the Embassy would like to take this opportunity to describe how the harmonized system will affect textile products from Romania that are exported to the United States on or after January 1, 1989.

I. All textile shipments subject to U.S. import quotas which are exported in 1988 and which arrive in the United States on or after January 1, 1989, will be charged to the appropriate unfilled 1988 quota limit. All textile shipments, whether or not subject to import quotas, that are exported in 1989 must conform to the harmonized system standards.

II. The agreement is a calendar-year agreement and all 1988 overshipments will be charged to the applicable 1989 harmonized system category, regardless of the arrival date.

III. With regard to the visa system covering exports of textile products from Romania to the United States, all goods exported on or after January 1, 1989 must be covered by a visa showing the correct harmonized system category number and quantity. In addition, please note that under the harmonized system all measurements must be in metric units rather than in imperial units.

IV. All provisions of the Cotton Amendment and the pending Wool and Man-Made Fiber Amendment regarding adoption of the harmonized system by the United States will take effect January 1, 1989. This includes annexes A(2), B(2), and C(2) which contain lists of categories covered with conversion factors, specific limits, and designated consultation levels under the harmonized system.

V. Playsuits in categories 337 and 637:

A) Harmonized system regulations require new treatment of two-piece playsuits in categories 337 and 637 for customs purposes. Currently, United States Customs classifies certain two piece children's garments as one garment under either category 337 or category 637. These garments are treated as an entirety because the two pieces are physically connected. A common construction of these garments is a 100 percent cotton trouser or short along with an acrylic or man-made fiber/cotton blend top. United States Customs now classifies the whole garment either in 337 or 637 based on an "essential character" determination.

B) Under the harmonized system, United States Customs has determined that it must classify the tops and bottoms of these two piece garments separately for tariff and quota purposes. Breakouts in the tariff schedule are being obtained to classify such components as "imported as parts of playsuits", thereby maintaining the playsuit designation.

C) But, for a playsuit, one-half unit could be charged to category 337 and the other half unit charged to 637. This would require two separate visas for a single

shipment of playsuits. In addition, United States Customs would have to charge playsuit shipments to limits in two separate categories. Currently, U.S. Customs can charge the whole unit to either 337 or 637. These difficulties could lead to problems with the current quota limits.

VI. The Embassy, on behalf of the Government of the United States, has the honor to propose, in accordance with the situation described in Part V above, the following amendments to the Cotton Agreement and the Wool and Man-Made Fiber Agreement:

- A) Effective January 1, 1989, Annex A(2) in the Cotton Agreement shall be amended to delete category 337.
- B) Effective January 1, 1989, Annex A(2) in the Wool and Man-Made Fiber Agreement shall be amended by deleting category 637.
- C) New category 237 covers cotton and man-made fiber playsuits, sunsuits, washsuits, rompers, creepers etc., hitherto classified under old categories 337 and 637. Effective January 1, 1989, Annex A(2) in the Cotton Agreement shall be amended to add category 237 as follows:

Category	Description	Conversion Factor To Square Meters	Units
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237	Playsuits, sunsuits, etc.	19.2	doz

D) Effective January 1, 1989 Annex C(2) in the Cotton Agreement shall be amended as follows:

Category	Unit	Type of Limit	1989 Limit
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237	doz	dcl	61,000

This note and a note of confirmation on behalf of the Government of Romania shall constitute an amendment (concerning playsuits) to the agreement.

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



Embassy of the United States of America

Bucharest, November 28, 1988

ROMANIA NOTE

The Ministry of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania presents its compliments to the Embassy of the United States of America and has the honour to acknowledge receipt of the Embassy's Verbal Note no.413/1988 in which the Embassy proposes certain amendments to the Cotton Agreement and the Wool and Man-made Fibre Agreement in effect between our countries.

We hereby confirm that the amendments proposed by the American side are acceptable to the Government of the Socialist Republic of Romania.

Consequently, your verbal Note no.413/1988 and this Note of confirmation on behalf of the Government of the Socialist Republic of Romania will constitute an amendment to the Cotton Agreement and the Wool and Man-Made Fibre Agreement, as of January 1, 1989.

The Ministry of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

MINISTRY OF FOREIGN TRADE AND INTERNATIONAL ECONOMIC  
COOPERATION OF THE SOCIALIST REPUBLIC OF ROMANIA

Bucharest, January 12, 1989