

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

**CONFIDENTIAL**  
**TEX.SB/2044\***  
14 February 1994

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**Textiles Surveillance Body**

**ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES**

**Notification under Article 4:4**

**Extension and modification of the bilateral agreements between  
the United States and Romania**

**Note by the Chairman**

Attached is a notification received from the United States of the extension, with modifications, of its two agreements with Romania for the period 1 January to 31 December 1994.<sup>1</sup>

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<sup>1</sup>The cotton agreement and previous amendments are contained in COM.TEX/SB/1452, 1516, 1517 and 1639. The wool and man-made fibre agreement and amendments thereof are contained in COM.TEX/SB/1053, 1109, 1327, 1451, 1516, 1517, 1639 and 1789.

\*English only/Anglais seulement/Inglés solamente



**UNITED STATES TRADE REPRESENTATIVE**

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND

February 9, 1994

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

Dear Ambassador Raffaelli:

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 extension, with modifications, of the bilateral textile cotton and the bilateral wool and mmf agreements between the Government of the United States of America and the Government of Romania.

These extensions were negotiated to deal with issues of market disruption or real risk thereof, while at the same time ensuring that their provisions, which include new agreed procedures for dealing with circumvention, would permit the expansion and orderly development of textiles and apparel trade from Romania.

Copies of the notes effecting this extension are enclosed. Additional data to facilitate preparation of a fact sheet will be provided separately.

Sincerely,

  
Robert E. Shepherd  
Minister Counsellor

Enclosure

2. BEGIN TEXT (AS RECEIVED IN ENGLISH):

ROMANIA MINISTRY OF COMMERCE  
DIVISION FOR THE AMERICAS

NO. E41/130 DATE 11/01/94

THE MINISTRY OF COMMERCE OF ROMANIA PRESENTS ITS  
COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF  
AMERICA AND HAS THE HONOR TO ACKNOWLEDGE THE RECEIPT  
OF ITS NOTE NC 424 OF DECEMBER 9, 1993.

THE MINISTRY OF COMMERCE OF ROMANIA CONFIRMS BY THIS  
NOTE, THAT THE GOVERNMENT OF ROMANIA AGREES UPON THE  
AMENDMENTS TO THE AGREEMENTS IN ACCORDANCE WITH THE  
PROVISIONS OF THE MEMORANDUM OF UNDERSTANDING SIGNED  
ON OCTOBER 1, 1993 AND CONFIRMED BY THE EXCHANGE OF  
NOTES IN BUCHAREST ON NOVEMBER 1 AND 16 AS IT  
FOLLOWS:

1. THE TERM OF BOTH THE COTTON AGREEMENT AND THE  
WOOL AND MAN-MADE FIBER AGREEMENT SHALL BE EXTENDED  
BY ONE YEAR THROUGH DECEMBER 31, 1994.

II. THE FOLLOWING LINE SHALL BE ADDED TO PARAGRAPH 2 OF THE WOOL AND MAN-MADE FIBER AGREEMENT:

CATEGORIES MERGED	DESIGNATION IN AGREEMENT	SUBCATEGORIES
447;448	447/448	NONE

III. PARAGRAPH 18 OF THE WOOL AND MAN-MADE FIBER AGREEMENT SHALL BE RENUMBERED TO BECOME PARAGRAPH 19, AND THE FOLLOWING LANGUAGE WILL BECOME THE NEW PARAGRAPH 18 OF THE WOOL AND MAN-MADE FIBER AGREEMENT AND WILL ALSO REPLACE THE CURRENT PARAGRAPH 16 OF THE COTTON AGREEMENT:

A. CONSISTENT WITH THEIR DOMESTIC LAWS AND PROCEDURES, THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF ROMANIA AGREE TO TAKE MEASURES NECESSARY TO ADDRESS, TO INVESTIGATE AND, WHERE APPROPRIATE, TO TAKE LEGAL AND/OR ADMINISTRATIVE ACTION TO PREVENT CIRCUMVENTION OF THIS AGREEMENT BY TRANSSHIPMENT, REROUTING, FALSE DECLARATION CONCERNING COUNTRY OF ORIGIN, FALSIFICATION OF OFFICIAL DOCUMENTS OR ANY OTHER MEANS

F. BOTH PARTIES AGREE TO COOPERATE FULLY, CONSISTENT WITH THEIR DOMESTIC LAWS AND PROCEDURES, IN INSTANCES OF CIRCUMVENTION OR ALLEGED CIRCUMVENTION OF THE AGREEMENT TO ADDRESS PROBLEMS ARISING FROM CIRCUMVENTION AND TO ESTABLISH THE RELEVANT FACTS IN THE PLACES OF IMPORT, EXPORT AND, WHERE APPLICABLE, TRANSSHIPMENT. SUCH COOPERATION, TO THE EXTENT CONSISTENT WITH DOMESTIC LAWS AND PROCEDURES, WILL INCLUDE INVESTIGATION OF CIRCUMVENTION PRACTICES; EXCHANGE OF DOCUMENTS, CORRESPONDENCE, REPORTS AND OTHER RELEVANT INFORMATION TO THE EXTENT AVAILABLE; AND FACILITATION OF IMPROMPTU PLANT VISITS AND CONTACTS BY REPRESENTATIVES OF EITHER PARTY, UPON REQUEST AND ON A CASE-BY-CASE BASIS.

C. IF EITHER PARTY BELIEVES THAT THIS AGREEMENT IS BEING CIRCUMVENTED, IT MAY REQUEST CONSULTATIONS TO ADDRESS THE MATTER OR MATTERS CONCERNED WITH A VIEW TO SEEKING A MUTUALLY SATISFACTORY SOLUTION. EACH PARTY AGREES TO HOLD SUCH CONSULTATIONS PROMPTLY, BEGINNING WITHIN 30 DAYS OF A WRITTEN REQUEST BY A PARTY AND CONCLUDING WITHIN 90 DAYS, UNLESS EXTENDED BY MUTUAL AGREEMENT, AND TO COOPERATE FULLY IN TERMS OF THE ELEMENTS SET OUT IN SUB-PARAGRAPH F ABOVE.

D. SHOULD THE PARTIES BE UNABLE TO REACH A SATISFACTORY SOLUTION IN THE COURSE OF THE

CONSULTATIONS CALLED FOR UNDER SUB-PARAGRAPH C, THEN THE GOVERNMENTS OF ROMANIA AND THE UNITED STATES AGREE THAT IN CASES WHERE EVIDENCE REGARDING

CIRCUMVENTION HAS BEEN PROVIDED, THE GOVERNMENT OF THE UNITED STATES MAY DEDUCT FROM THE QUANTITATIVE LIMITS FOR THAT AGREEMENT PERIOD AMOUNTS AT LEAST EQUIVALENT TO THE AMOUNT OF TRANSSHIPPED PRODUCTS OF ROMANIAN ORIGIN. THE AMOUNTS TRANSSHIPPED SHALL BE THE AMOUNTS AND THE COUNTRY OF ORIGIN SHALL BE THE COUNTRY OF ORIGIN SO DETERMINED BY UNITED STATES CUSTOMS. IN ADDITION, THE GOVERNMENTS OF ROMANIA AND THE UNITED STATES AGREE THAT DEDUCTIONS FROM THE QUANTITATIVE LIMITS ESTABLISHED UNDER THIS AGREEMENT MAY BE MADE IN THOSE INSTANCES IN WHICH:

A) THE GOVERNMENT OF THE UNITED STATES POSSESSES INFORMATION SHOWING A SUBSTANTIAL LIKELIHOOD THAT CIRCUMVENTION HAS OCCURRED;

B) THE GOVERNMENT OF THE UNITED STATES HAS REQUESTED FROM ROMANIA COOPERATION OR INFORMATION RELEVANT TO THE POSSIBLE CIRCUMVENTION THAT IS OF A TYPE THAT IS AVAILABLE TO OR COULD REASONABLY BE OBTAINED BY THE GOVERNMENT OF ROMANIA AND

C) THE GOVERNMENT OF ROMANIA HAS NOT PROVIDED SUCH INFORMATION OF COOPERATION WITHIN THE PERIOD FOR CONSULTATION OUTLINED IN SUB-PARAGRAPH C. ANY SUCH ACTION WITHIN THIS SUB-PARAGRAPH SHALL BE NOTIFIED TO THE TSB WITH FULL JUSTIFICATION.

E. SHOULD THE GOVERNMENT OF THE UNITED STATES CHOOSE TO EXERCISE ITS RIGHTS UNDER SUB-PARAGRAPH F TO DEDUCT AN AMOUNT OR AMOUNTS FROM THE QUANTITATIVE LIMITS OF A COUNTRY WHERE REPEATED INSTANCES OF CIRCUMVENTION HAVE BEEN DEMONSTRATED WITHIN THE CURRENT OR IMMEDIATELY PRECEDING AGREEMENT YEAR, THEN THE GOVERNMENT OF THE UNITED STATES MAY DEDUCT FROM THE QUANTITATIVE LIMIT AMOUNTS UP TO THREE TIMES THE AMOUNTS TRANSSHIPPED, PROVIDED THAT SUCH DEDUCTIONS ARE DISTRIBUTED EQUALLY IN EACH OF THE THREE FOLLOWING YEARS.

F. WHERE THERE IS EVIDENCE SHOWING THAT GOODS ORIGINATING IN ANOTHER COUNTRY HAVE BEEN SHIPPED THROUGH ROMANIA TO THE UNITED STATES AS THOUGH THEY WERE PRODUCED IN ROMANIA, THE GOVERNMENTS OF ROMANIA AND THE UNITED STATES AGREE TO TAKE APPROPRIATE ACTION. SUCH ACTION MAY INCLUDE THE INTRODUCTION OF RESTRAINTS IN THE RELEVANT CATEGORY OR CATEGORIES OR DEDUCTING THE AMOUNT OF GOODS SO SHIPPED FROM THE QUANTITATIVE LIMITS ESTABLISHED FOR THE CURRENT AGREEMENT YEAR UNDER THIS AGREEMENT FOR SHIPMENTS

ORIGINATING IN ROMANIA. ANY SUCH ACTIONS, TOGETHER WITH THEIR TIMING AND SCOPE, MAY BE TAKEN AFTER CONSULTATION HELD WITH A VIEW OF ARRIVING AT A MUTUALLY SATISFACTORY SOLUTION AND SHALL BE NOTIFIED TO THE TSE WITH FULL JUSTIFICATION. SUCH CONSULTATIONS SHOULD BE HELD PROMPTLY, BEGINNING WITHIN 30 DAYS OF A WRITTEN REQUEST BY A PARTY AND CONCLUDING WITHIN 90 DAYS, UNLESS EXTENDED BY MUTUAL AGREEMENT.

SHOULD THE PARTIES BE UNABLE TO REACH A SATISFACTORY SOLUTION, THEN THE GOVERNMENTS OF ROMANIA AND THE UNITED STATES AGREE THAT IN CASES WHERE CLEAR INFORMATION REGARDING CIRCUMVENTION HAS BEEN PROVIDED, THE GOVERNMENT OF THE UNITED STATES MAY INTRODUCE A RESTRAINT OR, WHERE A RESTRAINT ALREADY EXISTS, MAY DEDUCT FROM THE QUANTITATIVE LIMITS ESTABLISHED UNDER THIS AGREEMENT FOR THAT AGREEMENT PERIOD AN AMOUNT EQUIVALENT TO THE AMOUNT OF PRODUCT TRANSSHIPPED THROUGH ROMANIA.

G. PARTIES AGREE THAT FALSE DECLARATION CONCERNING FIBER CONTENT, QUANTITIES, DESCRIPTION OR CLASSIFICATION OF MERCHANDISE ALSO FRUSTRATES THE OBJECTIVE OF THIS AGREEMENT. WHERE THERE IS EVIDENCE THAT ANY SUCH FALSE DECLARATION HAS BEEN MADE FOR PURPOSES OF CIRCUMVENTION, BOTH PARTIES AGREE TO TAKE APPROPRIATE MEASURES, CONSISTENT WITH THEIR DOMESTIC LAWS AND PROCEDURES, AGAINST EXPORTERS OR IMPORTERS INVOLVED. SHOULD EITHER PARTY BELIEVE THAT THIS AGREEMENT IS BEING CIRCUMVENTED BY SUCH FALSE DECLARATION AND THAT NO,



OR INADEQUATE, ADMINISTRATIVE MEASURES ARE BEING APPLIED TO ADDRESS AND/OR TAKE ACTION AGAINST SUCH CIRCUMVENTION, THAT PARTY SHOULD CONSULT PROMPTLY WITH THE PARTY INVOLVED WITH A VIEW TO SEEKING A MUTUALLY SATISFACTORY SOLUTION. SUCH CONSULTATIONS SHOULD BE HELD PROMPTLY, BEGINNING WITHIN 30 DAYS OF A WRITTEN REQUEST BY A PARTY, AND CONCLUDING WITHIN 90 DAYS, UNLESS EXTENDED BY MUTUAL AGREEMENT. SHOULD THE PARTIES BE UNABLE TO REACH A SATISFACTORY SOLUTION, THEN THE GOVERNMENTS OF ROMANIA AND THE UNITED STATES AGREE THAT IN CASES WHERE EVIDENCE REGARDING SUCH FALSE DECLARATIONS HAS BEEN PROVIDED, THEN THE GOVERNMENT OF THE UNITED STATES MAY DEDUCT FROM THE QUANTITATIVE LIMITS ESTABLISHED FOR THE CURRENT AGREEMENT YEAR AN AMOUNT EQUIVALENT TO THE AMOUNT OF PRODUCT SUBJECT TO THE FALSE DECLARATION OR CLASSIFICATION. THIS PROVISION IS NOT INTENDED TO PREVENT PARTIES FROM MAKING TECHNICAL ADJUSTMENTS WHEN INADVERTENT ERRORS IN DECLARATIONS HAVE BEEN MADE.

IV. THE PROVISIONS SET OUT IN PARAGRAPHS 2 (CLASSIFICATION), 3 (MERGED CATEGORIES), 7 (COTTON INDUSTRY PRODUCTS), 8 (SPACING PROVISIONS), 9 (OVERSHIPMENT CHARGES), 10 (EXCHANGE OF DATA), 11 (CONSULTATION ON IMPLEMENTATION PROBLEMS), 12 (MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENTS), 15 (ASSISTANCE IN IMPLEMENTATION), 16 (AGREEMENT CIRCUMVENTION), 17 (CORRECT CATEGORY/QUANTITY VISA SYSTEM) OF THE COTTON AGREEMENT;

AND PARAGRAPHS 2 (MERGED CATEGORIES), 9 (COTTON INDUSTRY PRODUCTS), 10 (SPACING PROVISIONS), 11 (EXCHANGE OF DATA), 12 (CLASSIFICATION LANGUAGE), 13 (CONSULTATIONS ON IMPLEMENTATION QUESTIONS), 14 (MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENTS), 15 (ASSISTANCE IN IMPLEMENTATION) AND NEW PARAGRAPH 18 (AGREEMENT CIRCUMVENTION) OF THE WOOL AND MAN-MADE FIBER AGREEMENT WILL BE DIRECTLY RELEVANT TO THE ABILITY OF THE UNITED STATES AND THE GOVERNMENT OF ROMANIA TO IMPLEMENT THE URUGUAY ROUND TEXTILES AGREEMENT. THEREFORE, UPON ENTRY INTO FORCE OF THE URUGUAY ROUND AGREEMENT, THESE PROVISIONS WILL REMAIN IN FORCE AND WILL BE NOTIFIED TO THE TEXTILE MONITORING BODY (TMB).

V. ANNEX B AND ANNEX C OF THE COTTON AGREEMENT SHALL BE AMENDED TO ADD THE FOLLOWING SPECIFIC LIMITS AND DESIGNATED CONSULTATION LEVELS FOR 1994:

ANNEX B

CATEGORY	UNIT	1994
AGGREGATE LIMIT	SME	51,200,695

## SPECIFIC LIMITS

315	M2	2,686,198
333/833	LOZ	106,389
335/835	DOZ	134,759
338/339	DOZ	581,592
340	LOZ	253,860
341/840	LOZ	106,389
347/348	DOZ	453,926
836	LOZ	50,000

## ANNEX C

## DESIGNATED CONSULTATION LEVEL

CATEGORY	UNIT	ANNUAL LEVEL
237	DOZ	61,000
313	M2	1,672,255
314	M2	1,254,191
334	DOZ	257,153
(334 NZ)	LOZ	(36,320)
350	DOZ	27,000
352	DOZ	181,918
359	KG	652,174
361	NO	515,000
369	KG	295,821
810	M2	4,180,637
847	LOZ	75,000

ALL CATEGORIES NOT OTHERWISE SPECIFIED ABOVE SHALL



BE SUBJECT TO MINIMUM LEVELS AS FOLLOWS:

-836,127 SME FOR COTTON, SILK-BLENDED AND VEGETABLE FIBER AND 200 SERIES NON-APPAREL CATEGORIES;

-585,289 SME FOR COTTON, SILK-BLENT AND VEGETABLE FIBER AND 200 SERIES APPAREL CATEGORIES.

VI. ANNEX B AND C OF THE WOOL AND MAN-MADE FIBER AGREEMENT SHALL BE AMENDED TO ADD THE FOLLOWING SPECIFIC LIMITS AND DESIGNATED CONSULTATION LEVELS FOR 1994:

ANNEX B

CATEGORY	UNIT	1994
GROUP III	SME	54,418,244
SPECIFIC LIMITS		
604	KG	1,564,867
433/434	DOZ	7,085
435	DOZ	6,284
442	DOZ	9,819
443	NO	103,205
444	NO	33,654
447/448	DOZ	13,939
635	DOZ	92,751
638/639	DOZ	529,486
643/644		
(NOT KNIT)	DOZ	699,119
645/646	DOZ	279,341

DESIGNATED CONSULTATION LEVELS

ANNEX C

CATEGORY	UNIT	ANNUAL LEVEL
GROUP II	SME	10,033,528
410	M2	167,225
465	M2	129,602
618	M2	1,672,255
666	M2	116,306
459	KG	34,019
633	DOZ	44,199
634	DOZ	53,687
634 KNIT	DOZ	(36,684)
634 NON-KNIT	DOZ	(17,083)
640	DOZ	87,225
641	DOZ	34,775
643/644 (KNIT)	DOZ	24,996
647	DOZ	20,737
648	DOZ	57,746

659

KG

101,762

ALL CATEGORIES NOT OTHERWISE SPECIFIED ABOVE SHALL  
BE SUBJECT TO MINIMUM CONSULTATION LEVELS AS  
FOLLOWS:

-836,127 SME FOR MAN-MADE FIBER NON-  
APPAREL CATEGORIES;

-525,289 SME FOR MAN-MADE APPAREL  
CATEGORIES;

- 23,613 SME FOR WOOL CATEGORIES.

THE UNITED STATES OF AMERICA EMBASSY'S NOTE 424 OF  
DECEMBER 9, 1993 AND THIS NOTE CONSTITUTE AN  
AGREEMENT EXTENDING AND AMENDING THE COTTON  
AGREEMENT AND THE WOOL AND MAN-MADE FIBER AGREEMENT

THE MINISTRY OF COMMERCE OF ROMANIA FURTHER AVAILS  
ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY  
OF THE UNITED STATES OF AMERICA THE ASSURANCES OF  
ITS HIGHEST CONSIDERATION.

MINISTRY OF COMMERCE OF ROMANIA  
BUCHAREST, JANUARY 5, 1994

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 424

The Embassy of the United States of America presents its compliments to the Ministry of Trade of Romania and has the honor to refer to the arrangement regarding international trade in textiles, with annexes, done at Geneva on December 20, 1973 as extended, and to the agreement between Romania and the United States of America relating to trade in cotton textiles, with annexes, effected by exchange of notes January 28 and March 31, 1983, as amended (the Cotton Agreement). The Embassy also refers to the agreement relating to trade in wool and man-made fiber textiles and textile products effected by exchange of notes dated November 7 and 16, 1984, as amended (the Wool and Man-Made Fiber Agreement).

The Embassy refers further to the Memorandum of Understanding, signed October 1, 1993 in Bucharest, and to the exchange of notes confirming the Memorandum of Understanding, exchanged in Bucharest November 1 and 16, 1993.

In accordance with the provisions of the Memorandum of Understanding, the Government of the United States proposes the following amendments to the Agreements:

I. The term of both the Cotton Agreement and the Wool and Man-Made Fiber Agreement shall be extended by one year through December 31, 1994.

II. The following line shall be added to Paragraph 2 of the Wool and Man-Made Fiber Agreement:

CATEGORIES MERGED	DESIGNATION IN AGREEMENT	SUBCATEGORIES
447;448	447/448	NONE

III. Paragraph 18 of the Wool and Man-Made Fiber Agreement shall be renumbered to become Paragraph 19, and the following language will become the new Paragraph 18 of the Wool and Man-Made Fiber Agreement and will also replace the current Paragraph 16 of the Cotton Agreement:

A. Consistent with their domestic laws and procedures, the Government of the United States and the Government of Romania agree to take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of this agreement by transshipment, rerouting, false declaration concerning country of origin, falsification of official documents or any other means.

B. Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the Agreement to address problems arising from circumvention and to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, to the extent consistent with domestic laws and procedures, will include investigation of circumvention practices; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of impromptu plant visits and contacts by representatives of either party, upon request and on a case-by-case basis.

C. If either party believes that this Agreement is being circumvented, it may request consultations to address the matter or matters concerned with a view to seeking a

mutually satisfactory solution. Each party agrees to hold such consultations promptly, beginning within 30 days of a written request by a party and concluding within 90 days, unless extended by mutual agreement, and to cooperate fully in terms of the elements set out in sub-paragraph B above.

D. Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under sub-paragraph C, then the Governments of Romania and the United States agree that in cases where evidence regarding circumvention has been provided, the Government of the United States may deduct from the quantitative limits for that agreement period amounts at least equivalent to the amount of transshipped products of Romanian origin. The amounts transshipped shall be the amounts and the country of origin shall be the country of origin so determined by United States Customs. In addition, the Governments of Romania and the United States agree that deductions from the quantitative limits established under this Agreement may be made in those instances in which:

A) The Government of the United States possesses information showing a substantial likelihood that circumvention has occurred, B) the Government of the United States has requested from Romania cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by the Government of Romania, and C) the Government of Romania has not provided such information or cooperation within the period for consultation outlined in sub-paragraph C. Any such action within this sub-paragraph shall be notified to the TSB with full justification.

E. Should the Government of the United States choose to exercise its rights under sub-paragraph D to deduct an

amount or amounts from the quantitative limits of a country where repeated instances of circumvention have been demonstrated within the current or immediately preceding agreement year, then the Government of the United States may deduct from the quantitative limit amounts up to three times the amounts transshipped, provided that such deductions are distributed equally in each of the three following years.

F. Where there is evidence showing that goods originating in another country have been shipped through Romania to the United States as though they were products of Romania, the Governments of Romania and the United States agree to take appropriate action. Such action may include the introduction of restraints in the relevant category or categories or deducting the amount of goods so shipped from the quantitative limits established for the current agreement year under this agreement for shipments originating in Romania. Any such actions, together with their timing and scope, may be taken after consultation held with a view of arriving at a mutually satisfactory solution and shall be notified to the TSB with full justification. Such consultations should be held promptly, beginning within 30 days of a written request by a party and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Romania and the United States agree that in cases where clear information regarding circumvention has been provided, the Government of the United States may introduce a restraint or, where a restraint already exists, may deduct from the quantitative limits established under this Agreement for that agreement period an amount equivalent to the amount of product transshipped through Romania.

G. Parties agree that false declaration concerning fiber content, quantities, description or classifications of merchandise also frustrates the objective of this agreement. Where there is evidence that any such false declaration has been made for purposes of circumvention, both parties agree to take appropriate measures, consistent with their domestic laws and procedures, against exporters or importers involved. Should either party believe that this Agreement is being circumvented by such false declaration and that no, or inadequate, administrative measures are being applied to address and/or take action against such circumvention, that party should consult promptly with the party involved with a view to seeking a mutually satisfactory solution. Such consultations should be held promptly, beginning within 30 days of a written request by a party, and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Romania and the United States agree that in cases where evidence regarding such false declarations has been provided, then the Government of the United States may deduct from the quantitative limits established for the current agreement year an amount equivalent to the amount of product subject to the false declaration or classification. This provision is not intended to prevent parties from making technical adjustments when inadvertent errors in declarations have been made.

IV. The provisions set out in paragraphs 2 (Classification), 3 (Merged Categories), 7 (Cottage Industry Products), 8 (Spacing Provisions), 9 (Overshipment Charges), 10 (Exchange of Data), 11 (Consultation on Implementation Problems), 12 (Mutually Satisfactory Administrative Arrangements), 15 (Assistance in Implementation), 16



(Agreement Circumvention), 17 (Correct Category/Quantity Visa System) of the Cotton Agreement;

And paragraphs 2 (Merged Categories), 9 (Cottage Industry Products), 10 (Spacing Provisions), 11 (Exchange of Data), 12 (Classification Language), 13 (Consultation on Implementation Questions), 14 (Mutually Satisfactory Administrative Arrangements), 17 (Assistance in Implementation) and new paragraph 18 (Agreement Circumvention) of the Wool and Man-Made Fiber Agreement will be directly relevant to the ability of the United States and the Government of Romania to implement the Uruguay Round Textiles Agreement. Therefore, upon entry into force of the Uruguay Round Agreement, these provisions will remain in force and will be notified to the Textile Monitoring Body (TMB).

V. Annex B and Annex C of the Cotton Agreement shall be amended to add the following specific limits and designated consultation levels for 1994:

ANNEX B		
CATEGORY	UNIT	1994
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Aggregate Limit	SME	51,000,695
Specific Limits		
315	M2	2,686,198
333/833	DOZ	106,389
335/835	DOZ	134,759
338/339	DOZ	581,592
340	DOZ	253,860
341/840	DOZ	106,389
347/348	DOZ	453,926
836	DOZ	50,000

#### ANNEX C

#### DESIGNATED CONSULTATION LEVELS

CATEGORY	UNIT	ANNUAL LEVEL
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237	DOZ	61,000
313	M2	1,672,255
314	M2	1,254,191
334	DOZ	257,153
(334 NZ)	DOZ	(36,320)
350	DOZ	27,000
352	DOZ	181,818

359	KG	652,174
361	NO	515,000
369	KG	295,821
810	M2	4,180,637
847	DOZ	75,000

All categories not otherwise specified above shall be subject to minimum consultation levels as follows:

-836,127 SME for cotton, silk-blend and vegetable fiber and 200 series non-apparel categories;

-585,289 SME for cotton, silk-blend and vegetable fiber and 200 series apparel categories.

VI. Annex B and C of the Wool and Man-Made Fiber Agreement shall be amended to add the following specific limits and designated consultation levels for 1994:

#### ANNEX B

CATEGORY	UNIT	1994
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Group III	SME	54,418,244

#### SPECIFIC LIMITS

604	KG	1,564,867
433/434	DOZ	7,085
435	DOZ	6,284
442	DOZ	9,819
443	NO	103,205
444	NO	33,654
447/448	DOZ	13,939
635	DOZ	88,751
638/639	DOZ	509,486
643/644		
(not knit)	DOZ	699,119
645/646	DOZ	279,341

#### DESIGNATED CONSULTATION LEVELS

#### ANNEX C

CATEGORY	UNIT	ANNUAL LEVEL
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Group II	SME	10,033,528
410	M2	167,225
465	M2	129,600
618	M2	1,672,255
666	M2	116,306
459	KG	34,019
633	DOZ	44,199
634	DOZ	53,687
634 KNIT	DOZ	(36,604)
634 NOT-KNIT	DOZ	(17,083)
640	DOZ	80,225
641	DOZ	34,775
643/644 (KNIT)	DOZ	24,996

647	DOZ	80,737
648	DOZ	57,746
659	KG	101,768

All categories not otherwise specified above shall be subject to minimum consultation levels as follows:

- 836,127 SME for man-made fiber non-apparel categories;
- 585,289 SME for man-made fiber apparel categories;
- 83,613 SME for wool categories

If the foregoing conforms with the understanding of the Government of Romania, this note and the Government of Romania's note of confirmation shall constitute an agreement extending and amending the Cotton Agreement and the Wool and Man-Made Fiber Agreement.

The Embassy of the United States of America further avails itself of this opportunity to renew to the Ministry of Trade of Romania the assurances of its highest consideration.



Embassy of the United States of America,  
Bucharest, December 9, 1993.