

# WORLD TRADE ORGANIZATION

WT/DS151/10  
G/TMB/N/341/Add.1  
G/RO/D/3/Add.1  
G/TBT/D/19/Add.1  
G/L/279/Add.1  
31 July 2000  
(00-3123)

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Original: English

## UNITED STATES – MEASURES AFFECTING TEXTILES AND APPAREL PRODUCTS (II)

### Notification of Mutually Agreed Solution

The following communication, dated 24 July 2000, from the Permanent Mission of the United States and the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 3.6 of the DSU.

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The authorities of the United States of America and of the European Communities hereby notify the Dispute Settlement Body (DSB) that they have reached a mutually agreed solution in their dispute "United States – Measures Affecting Textiles and Apparel Products" (WT/DS151).

The solution is set forth in the attached Procès-Verbal of 16 August 1999, which has been implemented pursuant to:

- Section 405 of the Trade and Development Act of 2000 entitled "Clarification of Section 334 of the Uruguay Round Agreements Act" as enacted by the United States on 18 May 2000; and
- "Amendment of Export Visa and Quota Requirements for Certain Textile Products Produced or Manufactured in All Countries and Made Up in the European Community (EC)", as published in the US Federal Register of 6 December 1999 (64 Fed. Reg. 68,087).

## PROCES-VERBAL

This document refers to the procès-verbal initialed on 15 July 1997 in Geneva by delegations representing the United States and the European Community and which concerned modifications to US origin rules on certain textile products, applicable from 1 July 1996.

The United States and the European Community take note that the 1997 procès-verbal has not led to a rapid solution in this case and therefore agree to amend the 1997 procès-verbal with a view to achieving a mutually satisfactory resolution toward facilitating and developing trade in fabrics imported into the European Community at loom state to be dyed, printed, and further finished in the EC, and certain flat products resulting therefrom.

The agreed amendments are as follows:

1. The US Administration will propose to Congress that it adopt the Bill in Annex 1 to this procès-verbal, which contains an amendment to the US origin rules, set forth in 19 U.S.C. 3592. The US Administration will make its best efforts to convince Congress of the desirability to adopt this Bill expeditiously, and the European Commission will make every effort to support this process.
2. The United States agrees that a single import visaed invoice/licence can be used on multiple shipments of goods (provided that the original visaed invoice/licence is valid and its quantity is not exceeded) classified in the HTS headings and subheadings set forth in Annex 1, paragraph 2(C) as of cotton or consisting of fiber blends containing 16 per cent or more by weight of cotton or products of cotton classified in HTS headings 6302.21, 6302.51, 6302.91, 6303.91, 6304.92 or 9404.90.80. For the purpose of this paragraph, such goods must be made up in an EC Member State from fabric which is dyed and printed in a Member State and has undergone in a Member State two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing or moireing.

Both sides agree to consult on implementation of the terms set out in this procès-verbal.

The United States and the European Community agree that this amendment to the 1997 procès-verbal will be notified as a mutually agreed solution to the WTO. The European Community reserves the right to put the matter on the agenda of the Textiles Monitoring Body in the WTO in the event that the United States does not implement its commitments as contained in the procès-verbal within a reasonable amount of time.

Agreed, as of 16 August 1999.

(signed) Representing the United States  
C. Donald Johnson, Jr.  
Ambassador  
Chief Textile Negotiator

(signed) Representing the European Union  
Alistair J. Stewart  
Head of Unit  
European Commission

## ANNEX 1: LEGISLATIVE TEXT

- (2) Special rules
- (A) Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (B) and (C) below:
- (i) the origin of a good that is classified under one of the following HTS headings or subheadings shall be determined under subparagraph (A), (B) or (C) of paragraph (1) as appropriate: 5609, 5807, 5811, 6209.20.50.40, 6213, 6214, 6301, 6302, 6303, 6304, 6305, 6306, 6307.10, 6307.90, 6308 or 9404.90;
  - (ii) a textile or apparel product which is knit to shape shall be considered to originate in, and be the growth, product, or manufacture of the country, territory, or possession in which it is knit.
- (B) Notwithstanding paragraph (1)(C), fabric classified under the HTS as of silk, cotton, man-made fiber(s), or vegetable fiber(s) shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.
- (C) Notwithstanding paragraph (1)(C), goods classified in HTS headings 6117.10, 6213.00, 6214.00, 6302.22, 6302.29, 6302.52, 6302.53, 6302.59, 6302.92, 6302.93, 6302.99, 6303.92, 6303.99, 6304.19, 6304.93, 6304.99, 9404.90.85 or 9404.90.95, except for goods classified therein as of cotton or of wool or consisting of fiber blends containing 16 per cent or more by weight of cotton, shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.
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