

No. 16581

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**UNITED STATES OF AMERICA  
and  
JAPAN**

**Exchange of notes constituting an agreement relating to unilateral export restraint measures for color television receivers (with annexes, agreed minutes and related notes). Washington, 20 May 1977**

*Authentic text: English.*

*Registered by the United States of America on 27 April 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
JAPON**

**Échange de notes constituant un accord relatif à des restrictions unilatérales à l'exportation de récepteurs de télévision en couleurs (avec annexes, procès-verbal approuvé et notes connexes). Washington, 20 mai 1977**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 27 avril 1978.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND JAPAN RELATING TO UNILATERAL EXPORT RESTRAINT MEASURES FOR COLOR TELEVISION RECEIVERS

I

*The Japanese Ambassador to the American Special Representative  
for Trade Negotiations*

EMBASSY OF JAPAN  
WASHINGTON

May 20, 1977

Excellency,

I have the honour to refer to the recent discussions between the representatives of the Government of Japan and the Government of the United States of America, during which the Government of Japan informed the Government of the United States of America of unilateral export restraint measures for color television receivers to be taken in accordance with the relevant law of Japan.

I have further the honour to confirm that the Government of Japan will implement its measures and obligations under the following provisions:

1. The Government of Japan will apply restraints to exports to the United States from Japan of color television receivers as defined in Annex A (hereinafter referred to as "color television receivers") at the levels as specified in Annex B for the period of three years beginning July 1, 1977, provided that the Government of the United States of America does not take any restrictive measures *vis-à-vis* imports from Japan of color television receivers.

2. The Government of Japan will supply the Government of the United States of America with reports on actual export certificates issued to date and their percentage of yearly authorized exports to the United States of color television receivers, no later than thirty days after the end of each month. The Government of Japan will act promptly to provide data on a more current basis to the extent practicable upon request by the Government of the United States of America, to assure the effectiveness of the provisions of this Note. Monthly customs statistics officially announced on exports to the United States will be supplied promptly by the Government of Japan as they become available. The Government of the United States of America will supply the Government of Japan with monthly reports on imports by principal country of origin no later than thirty days after the end of each month and weekly reports on imports not presented with an invoice with appropriate authorization for export to the United States, no later than fifteen days after the end of each week.

3. In the event that imports of Japanese color television receivers through third countries or through diversion of shipments en route undermine the objectives of the restraint, the two Governments will work together with a view to finding appropriate remedial measures.

4. The Government of Japan will make every reasonable effort to see to it that there will be no circumvention by minor modifications of articles covered by Annex A to avoid the effect of the restraint.

<sup>1</sup> Came into force on 20 May 1977, with effect from 1 July 1977, in accordance with the provisions of the said notes.

5. The Government of Japan will endeavor to space actual exports over each twelve month period specified in Annex B as evenly as practicable and consistent with seasonal considerations.

6. (a) Either Government may request consultations on any matters arising from the provisions of this Note. Such consultations will take place at a mutually convenient time no later than thirty days from the date on which such request is made, unless otherwise mutually agreed.

(b) If, in the view of either Government, the economic conditions prevailing at the time of the recent discussions mentioned above have improved substantially, that Government may initiate consultations for review of the provisions of this Note including the possibility of termination and/or amelioration of the export restraints prior to the expiration of the period of three years.

(c) In the event that the Government of the United States of America considers that the effectiveness of the provisions of this Note is undermined by excessive concentration of color television receiver exports, in particular screen sizes, or by exports of articles similar or used for like purpose which are not included in the scope of Annex A, that Government may initiate consultations with a view toward the prompt resolution of such problems.

7. If the Government of Japan considers that, as a result of the application of the provisions of this Note, Japan is placed in an inequitable position *vis-à-vis* third countries in respect of exports to the United States of color television receivers, the Government of Japan may initiate consultations with the Government of the United States of America.

8. (a) The two Governments recognize that their rights and obligations under the General Agreement on Tariffs and Trade<sup>1</sup> are not affected by the provisions of this Note.

(b) No provision of this Note will be construed as affecting the respective positions of the two Governments in the Tokyo Round of the Multilateral Trade Negotiations.

9. (a) Mutually satisfactory administrative arrangements or adjustments may be made to resolve problems arising out of the implementation of the provisions of this Note, including those concerning differences in procedure, operation, or the application of the definition.

(b) The two Governments may amend the provisions of this Note if such amendments are mutually agreeable.

10. No provision of this Note will be construed as applying to prices or production of color television receivers, or allocation of shipments among firms selling (except that it is recognized that such allocations may be deemed necessary and therefore directed by the Government of Japan in its implementation of the provisions of this Note) or buying color television receivers.

11. Either Government may terminate the provisions of this Note by giving sixty-days' written notice to the other Government.

12. The foregoing provisions of this Note will be implemented by the two Governments in accordance with the laws and regulations applicable in their respective countries.

13. The provisions of this Note will continue in force through June 30, 1980, unless earlier terminated as provided for in paragraph 11 of this Note.

I have further the honour to request Your Excellency to confirm on behalf of the Government of the United States of America that it will implement its measures and obligations under the above provisions and to propose that this Note and Your Excellency's Note in reply will constitute an agreement between the two Governments as characterized by the above provisions.

<sup>1</sup> United Nations, *Treaty Series*, vol. 55, p. 187.

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

[Signed — Signé]<sup>1</sup>

Ambassador Extraordinary  
and Plenipotentiary of Japan

His Excellency Robert S. Strauss  
The Special Representative for Trade Negotiations

## ANNEX A

### DEFINITION

#### *Complete color television receiver*

- a) A color television receiver, fully assembled, whether or not packaged or tested for distribution to the ultimate purchaser.
- b) A complete kit of a color television receiver which can be assembled into a fully assembled color television receiver.

#### *Incomplete color television receiver*

A color television receiver which, while not complete as defined above, is assembled to a substantially full extent, that is:

- a. A picture tube is packaged together with a significant portion of television receiver electronics, that is, a printed circuit board that performs any of the functions of the intermediate frequency detector and modulator; or
- b. All or part of a chassis frame, if such a chassis frame is required, with a main printed circuit board\* which is packaged together with one or more of the following components: tuner or channel selector assembly, antenna, deflection yoke, degaussing coils, picture tube mounting bracket, grounding assembly, other parts necessary to fix the picture tube in place, consumer operated controls,\*\* other parts necessary to fix the tuner in place\*\*\* and speakers.

## ANNEX B

The Government of Japan will apply restraints to exports to the United States of color television receivers as defined in Annex A during the periods and at the levels as specified below respectively:

<i>Period</i>	<i>Thousands of Units</i>		
	<i>Complete color television receivers</i>	<i>Incomplete color television receivers</i>	<i>Total</i>
July 1, 1977, to June 30, 1978 . . . . .	1,560	190	1,750
July 1, 1978, to June 30, 1979 . . . . .	1,560	190	1,750
July 1, 1979, to June 30, 1980 . . . . .	1,560	190	1,750

REMARKS: Restraint level is based upon Japanese exports.

\*When the main printed circuit board is composed of two or more printed circuit boards, the main printed circuit board stated above refers to the multiple number of printed circuit boards.

\*\*Knobs, levers, and buttons which can be removed by the consumer, with the exception of those connected to the tuner or channel selector assembly.

\*\*\*Screws, washers, nuts, bolts and clips.

<sup>1</sup> Signed by Fumihiko Togo — Signé par Fumihiko Togo.

## II

*The American Special Representative for Trade Negotiations  
to the Japanese Ambassador*THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS  
WASHINGTON

May 20, 1977

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

[See note I]

I have further the honour to confirm on behalf of the Government of the United States of America that it will implement its measures and obligations under the above provisions and to agree that Your Excellency's Note and this Note will constitute an agreement between the two Governments as characterized in the above provisions.

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

[Signed]

ROBERT S. STRAUSS  
The Special Representative  
for Trade Negotiations

## AGREED MINUTES

The representatives of the Government of Japan and the Government of the United States of America wish to record the following understanding concerning the Notes exchanged on May 20, 1977 (hereinafter referred to as "the Notes exchanged").

1. It is understood that the relevant law of Japan referred to in the preamble of the Notes exchanged means Articles 5-3 and 11 of the Export-Import Transactions Act.

2. It is understood that the term "restrictive measures" as used in paragraph 1 of the Notes exchanged means either additional tariff or quantitative restriction measures applied through the Tariff Schedules of the United States taken on global basis or *vis-à-vis* Japan.

3. Should significant problems arise due to the time lag between actual export certificates issued and reporting to the Government of the United States of America of such export figures, the Government of the United States of America may request that the Government of Japan initiate special procedures to expedite reporting as provided for in paragraph 2 of the Notes exchanged. Should such a request be made, the Government of Japan will endeavor to assure that export statistics are reported so as to maintain the effectiveness of the provisions of the Notes exchanged.

4. It is understood that the Government of Japan will provide the Government of the United States of America with an English translation of its written directive to the exporters' association to issue certificates, in accordance with paragraph 2 of the Notes exchanged, with individual invoices for exports of color television receivers to the United States, up to the restraint levels specified in Annex B to the Notes exchanged.

5. It is understood that the two Governments will resolve through consultations any problems with respect to documentation of export certificates referred to in paragraph 2 of the Notes exchanged.

6. With reference to paragraph 4 of the Notes exchanged, it is understood that the Government of the United States of America regards the effect of this effort as of critical importance in evaluating the effectiveness of the provisions of the Notes exchanged.

7. With reference to paragraph 7 of the Notes exchanged, it is understood that the Government of the United States of America will take appropriate remedial measures in the event that it is agreed that third countries have increased their color television receiver exports to the United States to the disadvantage of Japanese producers.

8. With reference to paragraph 10 of the Notes exchanged, it is understood that the provisions of the Notes exchanged constitute solely an inter-government agreement. It is further understood that, in order to implement its measures and obligations under the provisions of the Notes exchanged, the Government of Japan will have to issue directives to Japanese firms and/or Japanese exporters' and industry associations which are mandatory in nature and a direct consequence of the provisions of the Notes exchanged.

9. With reference to paragraph 11 of the Notes exchanged, it is understood that the Government of Japan may consider it necessary to terminate the provisions of the Notes exchanged, should action taken under United States laws, regulations or administrative procedures adversely impact Japanese trade in color television receivers.

10. With reference to Annex A to the Notes exchanged, it is understood that the two Governments will exchange appropriate information necessary to bring the application of the definition in Annex A into conformance between the two Governments.

[Signed — Signé]<sup>1</sup>  
For the Government  
of Japan

[Signed — Signé]<sup>2</sup>  
For the Government  
of the United States of America

Washington, D. C., May 20, 1977.

## RELATED NOTES

### I

#### THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS WASHINGTON

May 20, 1977

Excellency:

On behalf of the Government of the United States of America, I have the honour to inform you of the intention of the Government of the United States of America to undertake the following in connection with the Notes exchanged on May 20, 1977, on color television receivers:

Import statistics from Japan and from all other sources will be collected on a monthly basis as set forth in the Notes exchanged. Should the export restraint levels as specified in Annex B to the Notes exchanged be exceeded, the Government of the United States of America may consider that, for the purposes of United States domestic law, the provisions of the Notes exchanged have become ineffective.

<sup>1</sup> Signed by Fumihiko Togo — Signé par Fumihiko Togo.

<sup>2</sup> Signed by Robert S. Strauss — Signé par Robert S. Strauss.

In addition, the following steps will be implemented by the Government of the United States of America:

I. With respect to Japan

During the period of restraints beginning on July 1, 1977, the Government of the United States of America may restrict entry or withdrawal from warehouse of articles subject to the aforementioned Notes exchanged which have not been authorized for export to the United States pursuant to the provisions of the Notes exchanged. Entry or withdrawal from warehouse of articles on which certificates have not been issued will be refused for the remainder of a restraint year should the total amount of such entry or withdrawal reach 3% of a level equivalent to those specified in Annex B to the Notes exchanged. Where a problem arises due to differences in the classification of articles under the definition in Annex A to the Notes exchanged, the Government of the United States of America may permit entry of such articles prior to a final classification decision, which will be made following consultations between the two Governments with a view toward reaching a prompt solution to the problem.

II. With respect to other countries

Beginning on July 1, 1977, if the quantity of color television receivers from all other countries, excluding Japan, during a 12-month period appears likely to disrupt the effectiveness of the provisions of the Notes exchanged, the Government of the United States of America may initiate consultations with those countries responsible and may prevent further entries of such articles for the remainder of the restraint period or otherwise moderate or restrict the imports from such countries.

[Signed]

ROBERT S. STRAUSS  
The Special Representative  
for Trade Negotiations

His Excellency Fumihiko Togo  
Ambassador Extraordinary and Plenipotentiary  
of Japan

II

EMBASSY OF JAPAN  
WASHINGTON

May 20, 1977

Excellency,

On behalf of the Government of Japan, I have the honour to confirm that the Government of Japan takes it that the Government of the United States of America will take the procedures and measures set forth in your letter of May 20, 1977, in the circumstances described in that letter.

I have further the honour, in this connection, to inform you that the Government of Japan reserves all of its rights under the General Agreement on Tariffs and Trade with respect to the implementation of any of the procedures and measures referred to above.

[Signed — Signé]<sup>1</sup>

Embassador Extraordinary  
and Plenipotentiary of Japan

His Excellency Robert S. Strauss  
The Special Representative for Trade Negotiations

### III

EMBASSY OF JAPAN  
WASHINGTON

May 20, 1977

Excellency,

I have the honour to confirm the intention of the Ministry of International Trade and Industry that it will guide Japanese firms which plan to make direct investment into the United States in color television receiver production during the effective period of the Notes exchanged, to adopt such production processes as add no less labor content in the United States than the Japanese-affiliated color television receiver manufacturers which are operating commercially in the United States at the time when the Notes exchanged enter into force.

I have further the honour to state that the aforesaid actions will be taken in the scope of the Treaty of Friendship, Commerce and Navigation between Japan and the United States of America signed on April 2, 1953,<sup>2</sup> and that the aforesaid actions will be taken with the conviction that the Government of the United States of America will not discriminate as between the Japanese affiliated and United States color television receiver manufacturers in the United States.

[Signed — Signé]<sup>1</sup>

Ambassador Extraordinary  
and Plenipotentiary of Japan

His Excellency Robert S. Strauss  
The Special Representative for Trade Negotiations

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<sup>1</sup> Signed by Fumihiko Togo — Signé par Fumihiko Togo.

<sup>2</sup> United Nations, *Treaty Series*, vol. 206, p. 143.