

No. 20798

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**UNITED STATES OF AMERICA  
and  
SWITZERLAND**

**Exchange of letters constituting an agreement concerning  
cheeses, reached on the Tokyo Round of the Multilat-  
eral Trade Negotiations (with arrangement and related  
letter dated 19 November 1980). Geneva and Berne,  
12 April 1979**

*Authentic text: English.*

*Registered by the United States of America on 1 March 1982.*

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

**Échange de lettres constituant un accord relatif aux fro-  
mages, convenu lors des négociations commerciales  
multilatérales dites de Tokyo (avec arrangement et let-  
tre connexe en date du 19 novembre 1980). Genève et  
Berne, 12 avril 1979**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 1<sup>er</sup> mars 1982.*

## EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND SWITZERLAND CONCERNING CHEESES

### I

UNITED STATES DELEGATION  
TO THE MULTILATERAL TRADE NEGOTIATIONS  
GENEVA, SWITZERLAND

April 12, 1979

Dear Mr. Ambassador:

Referring to the bilateral negotiations between the United States and Switzerland within the Tokyo Round, I have the honor to confirm the following Understanding reached today in connection with the Arrangement on cheeses concluded between the two countries.

1. The allocation among cheese types within the tariff quota for Switzerland of 6,500 MT shall be:

950.10B	Emmentaler-type cheese .....	3,630 MT
950.10C	Gruyere process .....	1,450 MT
950.10D	Other, NSPF .....	1,420 MT

2. In principle, the quotas specified above are provided for imports from Switzerland. If, however, an importer submits satisfactory proof that he is unable to obtain his quota share from Switzerland and, through consultation, Switzerland is not able to demonstrate that such cheese is available, reallocation to another supplier could occur. Such reallocation shall take place only after consultations between the Swiss and American authorities.

3. Both sides agreed that the allocation of the import licenses between traditional and new importers shall not hamper the full utilization of the quota. The American side will make its best efforts to allow the full use of the Swiss quota.

4. The reference price level for the cheese imports shall be the wholesale prices of like cheeses in selected major American cities. No imports above such prices will be subject to offsetting measures. From our meetings in Washington in March, 1979, we understand that it is the intention of the Swiss authorities not to allow Swiss exports to undercut the above price level by means of subsidies.

Sincerely yours,

[Signed]

ALONZO L. McDONALD  
Ambassador

His Excellency Arthur Dunkel  
Ambassador of Switzerland  
Permanent Delegation of Switzerland  
Geneva

<sup>1</sup> Came into force on 19 November 1980, with retroactive effect as at 1 January 1980, the date on which schedules XX (United States)\* and LIX (Switzerland)\*\* became schedules to the General Agreement on Tariffs and Trade, in accordance with the provisions of the related letter of 19 November 1980.

\* United Nations, *Treaty Series*, vol. 1189, p. 2.

\*\* *Ibid.*, vol. 1192, p. 2.

## II

LE DÉLÉGUÉ AUX ACCORDS COMMERCIAUX<sup>1</sup>

3003 Berne, 12th April 1979

Dear Mr. Ambassador,

I have the honour to acknowledge receipt of your letter of today, the content of which reads as follows:

[See letter I]

I confirm that it is the intention of the Swiss authorities not to allow Swiss exports to undercut the above price level by means of subsidies as mentioned in paragraph 4 of the above letter.

Please accept, dear Mr. Ambassador, the assurance of my highest consideration.

[Signed]

ARTHUR DUNKEL  
Ambassador

H.E. Mr. Alonzo L. McDonald  
Ambassador and Head of Delegation  
of United States to the MTN  
Geneva

### ARRANGEMENT BETWEEN THE UNITED STATES AND SWITZERLAND CONCERNING CHEESES

1. The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade<sup>2</sup> the quota levels by type of cheese listed in Annex II. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in compliance with the GATT Waiver of 1955.

2. The United States agrees that its import system will be adjusted so that:
- The cheeses which are listed in Annex I will not be subject to quotas; and
  - The other cheeses will be freely imported within the limits of fixed quotas.

3. The global volume of the quotas granted to Switzerland for cheeses subject to the quota system will amount to a minimum of 6,500 metric tons. The distribution of the quotas between the different varieties is that listed in Annex II of the present arrangement. The U. S. agrees to take all necessary measures to permit the maximum utilization of the quotas. It is, however, understood that in the event Switzerland is unable to supply a given annual quota, the U.S. will authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

<sup>1</sup> The Delegate to Trade Agreements.

<sup>2</sup> United Nations, *Treaty Series*, vol 55. p. 187.

4. Switzerland agrees not to grant restitutions or other government payments in a manner so as to result in price of cheese of Swiss origin below the prices of like U.S. domestic cheese at the wholesale level. Any government payments applied in a manner inconsistent with this commitment would be subject to counteraction by the U.S.

#### ANNEX I

In accordance with Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

<i>TSUS No.</i>	<i>Description</i>
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound
(to be established)	Soft ripened cow's milk cheeses meeting the following definition: "Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture content, calculated by weight of the non-fatty matter, is not less than sixty-five (65) percent. "The term soft ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following non-comprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bibress	Pont-l'Evêque
Brie	Reblochon
Camembert	St. Marcellin
Cambré	Taleggio
Carré de l'Est	(Examples offered for sale under commercial names)
Chaource	Boursault
Coulommiers	Caprice des Dieux
Epoisses	Ducs (Suprême des)
Limbourg	Explorateur
Livarot	
Maroilles	
Munster— from France and Germany along both sides of the Rhine	

## ANNEX II

## CHEESE QUOTAS—SWITZERLAND

<i>TSUS Appendix Item No.</i>	<i>Commodity</i>	<i>Annual import quota Jan.1-Dec.31 (MT)</i>
950.10B	Swiss or Emmenthaler cheese with eye formation . . . . .	3,630 MT
950.10C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process) . . . . .	1,450
950.10D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part) . . . .	1,420

## RELATED LETTER

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON

November 19, 1980

Dear Ambassador Probst:

I refer to the April 12, 1979 exchange of letters and Arrangement Concerning Cheeses, to the April 12, 1979 Commitment Concerning Beef and related letter of July 10, 1979,<sup>1</sup> and to the Swiss letter of April 11, 1979 regarding motor vehicles<sup>2</sup> agreed upon during the Multilateral Trade Negotiations.

In order to comply with certain technical legal requirements, the United States intends to treat the above documents relating to cheese (with quotation marks inserted as a rectification at the end of paragraph number 4 in the Swiss letter), to beef, and to motor vehicles as agreements between our two Governments as contracting parties to GATT, effective January 1, 1980 when Schedules XX (United States)<sup>3</sup> and LIX (Switzerland)<sup>4</sup> both became schedules to GATT.

I refer also to the modified United States tariff language regarding watch marking, nomenclature, and duties, together with exchanges of letters (1) stating that the United States Customs Service now permits the entry of watch movements, cases, and dials which have been marked with the required information by the electrolysis method, provided that the marking is indelible, and that this practice will be continued, and (2) explaining that the United States cannot make tariff negotiating offers on certain watch movements with a value under 15 dollars because of the employment and economic development in the Virgin Islands for which the watch industry performs an important role.

The modified United States tariff language regarding watch marking, nomenclature, and duties was submitted to the Congress on June 19, 1979 under Section 102 of the Trade Act of 1974, but without any data or signatures. A copy of such modified

<sup>1</sup> See p. 163 of this volume.

<sup>2</sup> See p. 181 of this volume.

<sup>3</sup> United Nations, *Treaty Series*, vol. 1189, p. 2.

<sup>4</sup> *Ibid.*, vol. 1192, p. 2.

language relating to watches, as contained in that portion of Unit E of Chapter 2 of Section 7 of Part I of Schedule XX (United States) to the Geneva (1979) Protocol<sup>1</sup> which precedes the description applicable to item 720.80, is attached to this letter. The substance of these modifications was agreed to between the United States and Switzerland during the Multilateral Trade Negotiations prior to June 19, 1979. This letter will be resubmitted to the Congress, under Section 2 of the Trade Agreements Act of 1979, as the final instrument or text.

Sincerely,

[Signed]

ROBERT C. CASSIDY, Jr.  
General Counsel

His Excellency Raymond Probst  
Embassy of Switzerland  
Washington, D.C.

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<sup>1</sup> United Nations, *Treaty Series*, vol. 1187, p. 2.