

No. 20837

**UNITED STATES OF AMERICA
and
ROMANIA**

**Exchange of notes constituting an agreement relating to
trade in textiles and textile products (with annexes).
Washington, 3 September and 3 November 1980**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ROUMANIE**

**Échange de notes constituant un accord relatif au commerce
des textiles et des produits textiles (avec annexes).
Washington, 3 septembre et 3 novembre 1980**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} mars 1982.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ROMANIA RELATING TO TRADE IN TEXTILES AND TEXTILE PRODUCTS

I

DEPARTMENT OF STATE
WASHINGTON

September 3, 1980

Excellency:

I have the honor to refer to the Arrangement regarding international trade in textiles, with annexes, done at Geneva on December 20, 1973,² and extended by protocol adopted on December 14, 1977,³ at Geneva (hereinafter referred to as the Arrangement).

I have also the honor to refer to discussions held in Bucharest June 2-6, 1980, between representatives of the Government of the United States of America and the Government of the Socialist Republic of Romania concerning exports to the United States of America of wool and man-made fiber textiles and textile products manufactured in the Socialist Republic of Romania. As a result of these discussions, and in conformity with article 4 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in wool and man-made fiber textiles and textile products between the United States of America and the Socialist Republic of Romania.

1. The term of the Agreement shall be from April 1, 1981, through March 31, 1985. Each "Agreement Year" shall be a twelve-month period beginning on April 1 and continuing through March 31.

2. The system of categories and the rates of conversion into square yards equivalent listed in annex A shall apply in implementing the Agreement.

For purposes of this Agreement, the following categories are merged and treated as single categories and sub-categories:

<i>Categories merged</i>	<i>Designation in Agreement</i>	<i>Sub-categories</i>
433;434	433/434	none
435;444	435/444	none
638;639	638/639	none
643;644	643/644	643/644 pt (knit) 643/644 pt (not knit)
645;646	645/646	none

3. Textiles and textile products covered by the Agreement shall be classified in groups as follows:

¹ Came into force on 3 November 1980 by the exchange of the said notes, with effect from 1 April 1981, in accordance with their provisions.

² United Nations, *Treaty Series*, vol. 930, p. 166.

³ *Ibid.*, vol. 1078, p. 288.

- Group I—Yarns (categories 400, 600-605)
- Group II—Other Non-Apparel Products (categories 410-429, 464-469, 610-627, 665-669)
- Group III—Apparel Products (categories 431-459, 630-659)

4. Commencing with the first Agreement Year, and during the subsequent term of the Agreement, the Government of the Socialist Republic of Romania shall limit annual exports from Romania to the United States of America of wool and man-made fiber textiles and textile products to the group and specific limits set out in annex B, as such limits may be adjusted in accordance with paragraphs 5 and 6. Exports are subject to limits or levels for the year in which exported.

5. (a) During any Agreement Year and within the applicable Group Limits for such Agreement Year as they may be adjusted pursuant to paragraph 6, any Specific Limit (or Sub-limit) set out in annex B may be exceeded by not more than 7 percent in the case of man-made fiber categories or 5 percent in the case of wool categories (inter-category flexibility).

(b) In the case of categories 443, 643/644 pt. (not knit), and 645/646, the limits in annex B include all adjustments pursuant to this paragraph.

(c) Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 6.

6. (a) In any Agreement Year, in addition to any adjustment pursuant to paragraph 5, exports may exceed by a maximum of 11 percent any limit set out in annex B by allocating to such limit for that Agreement Year an unused portion of the corresponding limit for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward") subject to the following conditions:

- (1) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's limits provided, however, that no carryover shall be available for application during the first Agreement Year;
- (2) Carryforward may be utilized up to 6 percent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits; no carryforward shall be available for application during the fourth Agreement Year;
- (3) The combination of carryover and carryforward shall not exceed 11 percent of the receiving Agreement Year's applicable limit in any Agreement Year;
- (4) Carryover of shortfall (as defined in sub-paragraph 6 (b)) shall not be applied to any limits until the Governments of the United States of America and the Socialist Republic of Romania have agreed upon the amounts of shortfall involved.

(b) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from the Socialist Republic of Romania to the United States of America during an Agreement Year are below any applicable Group and Specific Limit as set out in annex B. In the Agreement Year following the shortfall, such exports from the Socialist Republic of Romania to the United States of America may be permitted to exceed the applicable limits, subject to conditions of sub-paragraph 6 (a), by carryover of shortfall in the following manner:

- (1) The carryover shall not exceed the amount of shortfall in any applicable limit;
- (2) The shortfall shall be used in the category in which the shortfall occurred.

(c) The total adjustment permissible under paragraph 6 for the first Agreement Year shall be 6 percent consisting solely of carryforward.

7. Categories in groups II and III not given Specific Limits are subject to consultation levels and to the applicable Group Limits. In the event the Government of the Socialist Republic of Romania wishes to permit exports to the United States of America in any category in excess of the applicable consultation level during any Agreement Year, the Government of the Socialist Republic of Romania shall request consultations with the Government of the United States of America on this question and the Government of the United States of America

shall enter into such consultations. Until a mutually acceptable solution is reached, the Government of the Socialist Republic of Romania shall limit exports to the United States of America in the category in question to the consultation level. For each Agreement Year, the minimum consultation level for each category in groups II and III not given a Specific Limit shall be 1,000,000 square yards equivalent for man-made fiber non-apparel categories; 700,000 square yards equivalent for man-made fiber apparel categories; and 100,000 square yards equivalent for wool categories. Consultation levels above these stated amounts are specified in Annex C hereto. Products in group II are subject to a group consultation level as shown in annex C.

8. (a) In the event that the Government of the United States of America believes that imports from the Socialist Republic of Romania classified in any category or categories in group I not covered by Specific Limits or by designated consultation levels are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States of America may request consultations with the Government of the Socialist Republic of Romania with a view to avoiding such market disruption. The Government of the United States of America shall provide the Government of the Socialist Republic of Romania at the time of the request with the data which in the view of the Government of the United States of America show: 1) the existence of market disruption, and 2) the role of exports from Romania in that disruption.

(b) The Government of the Socialist Republic of Romania agrees to consult with the Government of the United States of America within 30 days of receipt of the request for consultations. Both Governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of the request.

(c) During the 90-day period, the Government of the Socialist Republic of Romania agrees to hold its shipments to the United States in the pertinent category or categories to a level no greater than 35 percent of the amount entered in the last 12-month period for which data are available.

(d) (1) If no mutually satisfactory solution is reached in consultations, the Government of the United States may establish a specific limit for the category concerned, the level of which will not be less than the highest of:

- (i) The latest 12-month level of exports entered for which data are available, plus 20 percent in the case of man-made fiber categories or plus 6 percent in the case of wool categories.
- (ii) The average of the latest two Agreement Years' level of exports entered, plus 20 percent in the case of man-made fiber categories or plus 6 percent in the case of wool categories.

(2) Any Specific Limit established pursuant to this paragraph will increase in succeeding Agreement Years by 7 percent per year in the case of man-made fiber categories and by 1 percent per year in the case of wool categories.

9. In accordance with article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, Romanian exports of hand-loom fabrics of the cottage industry or hand-made cottage industry products made of such hand-loom fabrics, or traditional folklore handicraft textile products, will not be subject to the provisions of the Agreement.

10. The Government of the Socialist Republic of Romania shall use its best efforts to space exports from Romania to the United States within each category evenly throughout the Agreement Year, taking into consideration normal seasonal factors. Exports from Romania in excess of authorized levels for each Agreement Year will, if allowed entry into the United States, be charged to the applicable level for the succeeding Agreement Year.

11. The Government of the United States of America shall promptly supply the Government of the Socialist Republic of Romania with monthly data on imports of textiles from Romania, and the Government of the Socialist Republic of Romania shall promptly supply the Government of the United States of America with quarterly data on exports of textiles to the

United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

12. (a) Unless subject to the Agreement relating to trade in cotton textiles between the United States of America and the Socialist Republic of Romania, effected by exchange of notes January 6 and 25, 1978,¹ or to a succeeding agreement on trade in cotton textiles between the two Governments, tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibers, or blends thereof, in which any or all of these fibers in combination represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to the Agreement.

(b) Textile products are subject to this Agreement if wholly or in chief value of man-made fiber or wool; and, if wholly or in chief value cotton, textile products are subject to the cotton textile agreement of January 6 and 25, 1978. All other products described in subparagraph (a) of this paragraph shall be classified as follows:

- (1) Cotton textiles are subject to the cotton textile agreement if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and man-made fiber components.
- (2) Wool textiles if not cotton, and the wool equals or exceeds 17 percent by weight of all component fibers.
- (3) Man-made fiber textiles if neither of the foregoing applies.

13. The Government of the United States of America and the Government of the Socialist Republic of Romania agree to consult on any question arising in the implementation of the Agreement. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under the Agreement, either Government may, after notification to the other Government, refer such problems to the Textile Surveillance Body in accordance with article 11 of the Arrangement.

14. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

15. If the Government of the Socialist Republic of Romania considers that, as a result of a limitation specified in this Agreement, Romania is being placed in an inequitable position *vis-à-vis* a third country, the Government of the Socialist Republic of Romania may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of the Agreement.

16. For the duration of the Agreement, the Government of the United States of America shall not invoke the procedures of article 3 of the Arrangement to request restraints on the export from Romania of textiles covered by the Agreement.

17. The Government of the United States of America may assist the Government of the Socialist Republic of Romania in implementing the limitation provisions of the Agreement by controlling its imports of the textiles covered by the Agreement.

18. Either Government may terminate the Agreement effective at the end of any Agreement Year by written notice to the other Government to be given at least 90 days prior to the end of such Agreement Year. Either Government may at any time propose revisions in the terms of the Agreement.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your Excellency's note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Agreement between our two Governments.

¹ United Nations, *Treaty Series*, vol. 1147, p. 70, vol. 1148, p. 448, and vol. 1182, p. 397.

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

For the Secretary of State:

[HARRY KOPP]

His Excellency Nicolae Ionescu
Ambassador of the Socialist Republic
of Romania

ANNEX A

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
Yarn			
Cotton			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
Wool			
400	Tops and yarns	2.0	Lb.
Man-made fiber			
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. noncellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun noncellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
Fabric			
Cotton			
310	Ginghams	1.0	Syd.
311	Velveteens	1.0	Syd.
312	Corduroy	1.0	Syd.
313	Sheeting	1.0	Syd.
314	Broadcloth	1.0	Syd.
315	Printcloths	1.0	Syd.
316	Shirtings	1.0	Syd.
317	Twills and sateens	1.0	Syd.
318	Yarn-dyed	1.0	Syd.
319	Duck	1.0	Syd.
320	Other fabrics, n.k.	1.0	Syd.
Wool			
410	Woolen and worsted	1.0	Syd.
411	Tapestries and upholstery	1.0	Syd.
425	Knit	2.0	Lb.
429	Other fabrics	1.0	Syd.
Man-made fiber			
610	Cont. cellulosic, n.k.	1.0	Syd.
611	Spun cellulosic, n.k.	1.0	Syd.
612	Cont. noncellulosic, n.k.	1.0	Syd.
613	Spun noncellulosic, n.k.	1.0	Syd.
614	Other fabrics, n.k.	1.0	Syd.
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	Syd.
627	Specialty	7.8	Lb.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
Apparel			
Cotton			
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	Dpr.
332	Hosiery	4.6	Dpr.
333	Suit-type coats, M and B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (incl. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts (incl. T-shirts, other and sweatshirts), M and B	7.2	Dz.
339	Knit shirts and blouses (incl. T-shirts, other sweatshirts), W, G and I	7.2	Dz.
340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.
347	Trousers, slacks, and shorts (outer), M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, incl. bathrobes, and beach house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (incl. union suits)	11.0	Dz.
359	Other apparel	4.6	Lbs.
Wool			
431	Gloves	2.1	Dpr.
432	Hosiery	2.8	Dpr.
433	Suit-type coats, M and B	36.0	Dz.
434	Other coats, M and B	54.0	Dz.
435	Coats, W, G and I	54.0	Dz.
436	Dresses	49.2	Dz.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and blouses, n.k.	24.0	Dz.
442	Skirts	18.0	Dz.
443	Suits, M and B	54.0	Dz.
444	Suits, W, G and I	54.0	Dz.
445	Sweaters, M and B	14.88	Dz.
446	Sweaters, W, G and I	14.88	Dz.
447	Trousers, slacks and shorts (outer), M and B	18.0	Dz.
448	Trousers, slacks and shorts (outer), W, G and I	18.0	Dz.
459	Other wool apparel	2.0	Lb.
Man-made fiber			
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	Dpr.
632	Hosiery	4.6	Dpr.
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	Dz.
638	Knit shirts (incl. T-shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (incl. T-shirts), W, G and I	15.0	Dz.
640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	54.0	Dz.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
644	Suits, W, G and I	54.0	Dz.
645	Sweaters, M and B	36.8	Dz.
646	Sweaters, W, G and I	36.8	Dz.
647	Trousers, slacks and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
649	Brassieres, etc.	4.8	Dz.
650	Dressing gowns, incl. bath and beach robes	51.0	Dz.
651	Pajamas and other nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.
Made-ups and misc.			
Cotton			
360	Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.2	No.
363	Terry and other pile towels	0.5	No.
369	Other cotton manufactures	4.6	Lb.
Wool			
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	Sft.
469	Other wool manufactures	2.0	Lb.
Man-made fiber			
665	Floor coverings	0.1	Sft.
666	Other furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

M and B = Men's and Boys'.

W, G, and I = Women's, Girls', and Infants.

n.k. = not knit.

ANNEX B

SPECIFIC LIMITS

(Square Yards Equivalent)

	<i>1st Agreement Year</i>	<i>2nd</i>	<i>3rd</i>	<i>4th</i>
Group III	28,000,000	29,960,000	32,057,200	34,301,204
Category 443*	408,100	412,181	416,303	420,465
Category 643/644 pt. (not knit)*	1,325,000	1,417,750	1,516,993	1,623,182
Category 638/639**	3,276,991	3,506,380	3,751,827	4,014,455
Category 645/646*	7,000,000	7,210,000	7,426,300	7,649,089

* Includes annual growth and intercategory flexibility (swing)

** Includes annual growth; does not include intercategory flexibility (swing)

ANNEX C

DESIGNATED CONSULTATION LEVELS

(Square Yards Equivalent)

Group II	12,000,000
Categories:	
410	200,000
465	155,000

610	2,000,000
611	2,000,000
612	2,000,000
613	4,000,000
614	1,500,000
666	2,000,000
Group III	
Categories:	
433/434	230,000
435/444	380,000
459	150,000
633	1,600,000
634	2,200,000
634 pt (not knit)	700,000
634 pt (knit)	1,500,000
635	1,700,000
640	1,200,000
643/644 pt (knit)	112,500
647	1,400,000
648	1,065,000
659	1,750,000

II

The Romanian Embassy to the Department of State

EMBASSY OF THE SOCIALIST REPUBLIC OF ROMANIA

WASHINGTON, D.C.

No. 36

The Embassy of the Socialist Republic of Romania presents its compliments to the Department of State of the United States of America and has the honor to refer to GATT agreement regarding international trade with textile products and its addenda signed in Geneva on December 20, 1973, and extended on December 14, 1977, as well as the note of the Department of State of September 3, 1980, containing the proposal for an agreement between the Socialist Republic of Romania and the United States of America concerning the Romanian export of textile products made of wool and chemical fibres to the United States of America.

Further to this note, we have the honor to confirm, on behalf of the Government of the Socialist Republic of Romania, the agreement proposed by the Department of State, on behalf of the Government of the United States of America.

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

Washington, D.C., November 3, 1980