

No. 20846

**UNITED STATES OF AMERICA
and
ICELAND**

Exchange of letters constituting a trade agreement, reached on the Tokyo Round of the Multilateral Trade Negotiations (with related letter dated 30 January 1980). Washington, 16 and 25 May, 12 June, 18 September and 15 October 1979

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

Échange de lettres constituant un accord commercial, convenu lors des négociations commerciales multilatérales dites de Tokyo (avec lettre connexe en date du 30 janvier 1980). Washington, 16 et 25 mai, 12 juin, 18 septembre et 15 octobre 1979

Texte authentique : anglais.

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

EXCHANGE OF LETTERS CONSTITUTING A TRADE AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ICELAND, REACHED ON THE TOKYO ROUND OF THE MULTILATERAL TRADE NEGOTIATIONS

I

EMBASSY OF ICELAND
WASHINGTON, D.C.

May 16, 1979

Ref: 55. E.1.

Dear Ambassador Wolff:

With reference to our discussions on May 10, 1979, I want to inform you that the Government of Iceland at Cabinet level has now agreed to make the following offer in return for the Icelandic import quota of 623 tons of cheese and the reduction of other trade restrictions contemplated for Icelandic imports to the United States:

<i>Tariff number</i>	<i>Commodity</i>	<i>Base rate of duty 1973 (percentage)</i>	<i>Concession rate of duty (percentage)</i>
08.06			
10	Apples	12	0
08.12			
02	Dried apricots	40	20
03	Dried mixed fruits	40	20
09	Other dried fruits	40	20
20.07			
11	Orange juice, unfermented and not containing sugar in containers of 50 kilos or more	40	15
20.07			
19	Orange juice, Other	50	35
20.07			
20-70	Other fruit juices and vegetable juices, unfermented and not containing sugar, in containers of 50 kilos or more	40	15

¹ Came into force on 30 January 1980, with retroactive effect from 1 January 1980, the date on which schedule XX (United States) to the Geneva (1979) Protocol* became a schedule to the General Agreement on Tariffs and Trade,** in accordance with the provisions of the exchange of letters.

* United Nations, *Treaty Series*, vols. 1187 to 1193, No. A-814 XC.

** *Ibid.*, vol. 55, p. 187.

For your information the following figures are submitted for imports in 1978 (in thousands of Icelandic krónur):

	<i>Total</i>	<i>From U.S.A.</i>
Apples	596,571	320,603
Dried prunes	58,155	50,810
Dried apricots	12,882	1,272
Dried fruits, mixed	21,461	13,789
Dried fruits, other	25,676	10,368
Orange juice, unsweetened, in packages of 50 kilos or more	193,986	165,939
Orange juice, other	41,601	21,524

I hope that the proposed solution is acceptable to you.

Sincerely yours,

[Signed]

H. G. ANDERSEN
Ambassador

The Honorable Allan Wolff
Deputy Special Trade Representative
Washington, D.C.

II

DEPUTY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
Executive Office of the President
WASHINGTON, D.C.

May 25, 1979

Dear Ambassador Andersen:

This is to confirm our mutual understanding that in the context of the Multi-lateral Trade Negotiations the United States will provide an import quota of 623 tons of cheese from Iceland in return for the offer on agricultural products specified in your letter of May 16, 1979, which has been approved by the Government of Iceland. This offer provides for the following duty reductions to be specified in Iceland's GATT schedules:

[See note I]

I have taken the liberty to inform our delegation in Geneva with respect to this understanding so that it can be taken into account in the ongoing discussions with the Icelandic Delegation there.

Sincerely,

[Signed]

ALAN WM. WOLFF

The Honorable H. G. Andersen
Ambassador, Embassy of Iceland
Washington, D.C.

III

EMBASSY OF ICELAND
WASHINGTON, D.C.

June 12, 1979

Ref: 55. E. 1.

Dear Mr. Ambassador:

In the context of our negotiations on cheese in the Multilateral Trade Negotiations, I wish to inform you on behalf of the Government of Iceland that, in the event that Iceland should find it necessary in the future to use export payments or other incentives on cheese shipped to the United States, these payments or incentives will be provided in such a way as they do not result in the sale of Icelandic cheese in the U.S. market at prices below those of like U.S. domestic cheeses. The Government of Iceland understands that any government payments or incentives applied in a manner inconsistent with this commitment could be subject to counteraction by the United States.

I want to use this opportunity to confirm that the Government of Iceland had hoped that within the proposed cheese quota Iceland would be allotted 1200 tons of Icelandic milk cheese and 800 tons of Icelandic Baby Swiss Cheese.

Sincerely,

For the Government of Iceland:

[Signed]

H. G. ANDERSEN
Ambassador

Ambassador Alan Wolff
Deputy Special Trade Representative
Washington, D.C.

IV

*The Deputy Special Representative for Trade Negotiations
to the Icelandic Ambassador*

Dear Mr. Ambassador:

This is to confirm the understanding of the Government of the United States that, in the event that Iceland should find it necessary in the future to use export payments or other incentives on cheese shipped to the United States, these payments or incentives will be provided in such a way as they do not result in the sale of Icelandic cheese in the U.S. market at prices below those of like U.S. domestic cheeses. The Government of Iceland understands that any government payments or incentives applied in a manner inconsistent with this commitment could be subject to counteraction by the United States.

I know that the Government of Iceland had hoped that within the arrangements on cheese resulting from the Multilateral Trade Negotiations Iceland could have been allotted a larger quota. Unfortunately, this was not possible due to the need to provide a solution on cheese taking into account an equitable allocation to traditional suppliers of cheese to the U.S. market.

Sincerely,

[Signed]

ALAN WM. WOLFF

The Honorable Hans G. Andersen
Embassy of Iceland
Washington, D.C.

V

EMBASSY OF ICELAND
WASHINGTON, D.C.

September 18, 1979

Ref: 55. E. 1.

Dear Mr. Regan:

With reference to previous discussions, I wish to confirm on behalf of the Government of Iceland the following request for the classification of the allotted import quota for Icelandic cheese:

<i>TSUS appendix item No.</i>	<i>Commodity</i>	<i>Annual import quota Jan. 1-Dec. 31 (MT)</i>
950.10 B	Swiss or Emmenthaler Cheese With Eye Formation	300
950.10 D	Other Cheese, NSPF	323

It would be appreciated if you would confirm to me that the above arrangement is acceptable.

Sincerely yours,

[Signed]

H. G. ANDERSEN
Ambassador

Mr. Timothy Regan
Office of the Special Trade Representative
Washington, D.C.

VI

The Office of the Special Trade Representative to the Icelandic Ambassador

October 15, 1979

Dear Ambassador Andersen:

This is in response to your September 18 letter confirming our earlier discussions during which you requested, on behalf of your government, that the types of Icelandic cheese be reallocated within the total quota agreed during the Multilateral Trade Negotiations of 623 metric tons.

On behalf of the Government of the United States, I am pleased to inform you that we will reallocate the types of Icelandic cheese to be entered into the United States according to the following schedule:

[See note V]

Thank you for your letter.

Sincerely,

[Signed]

TIM REGAN

Mr. H. G. Andersen
Ambassador
Embassy of Iceland
Washington, D.C.

RELATED LETTER

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Executive Office of the President

WASHINGTON

January 30, 1980

Dear Mr. Ambassador:

I refer to the exchange of letters of May 16 and 25, 1979, to the Icelandic letter of June 12, 1979, and the reply thereto, and to the exchange of letters of September 18 and October 15, 1979, all relating to cheese and all negotiated during the Multilateral Trade Negotiations.

In order to comply with certain technical legal requirements, the United States intends to treat these documents as constituting an agreement between our

two Governments as contracting parties to GATT,¹ effective January 1, 1980, when schedules XX (United States)² to the Geneva (1979) Protocol became a schedule to GATT.³

Sincerely,

[Signed]

ROBERT C. CASSIDY, Jr.
General Counsel

His Excellency Hans G. Andersen
Ambassador of the Embassy of Iceland
Washington, D.C.

¹ United Nations, *Treaty Series*, vol. 55, p. 187.

² *Ibid.*, vol. 1189, p. 2.

³ *Ibid.*, vol. 1187, p. 2.