

WORLD TRADE ORGANIZATION

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Textiles Monitoring Body

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AGREEMENT ON TEXTILES AND CLOTHING

Notification under Article 2.17

UNITED STATES

Administrative Arrangements with Romania

The Textiles Monitoring Body has received a notification from the United States pursuant to paragraph 17 of Article 2. The TMB is circulating this notification to WTO Members for their information.

Executive Office of the President
Office of the United States Trade Representative

28 February 1997

The Honourable Ambassador András Szepesi
Chairman
Textiles Monitoring Body
World Trade Organization
Rue de Lausanne
1211 Geneva

Dear Ambassador Szepesi,

Attached you will find my Government's notification of Administrative Arrangements for Brazil, Colombia, Costa Rica, Fiji, Haiti, Hungary, India, Indonesia, Korea, Macau, Malaysia, Philippines, Qatar, Romania¹, Sri Lanka, Thailand, UAE and Uruguay made pursuant to Article 2.17 of the Agreement on Textiles and Clothing.

Sincerely,

(signed) Ambassador Rita Hayes
Chief Textile Negotiator

¹This document contains the Administrative Arrangements concluded with Romania. Administrative Arrangements concluded with the other Members listed above will be circulated as separate documents.

Note: Annex B referred to in the text contains the list of restrictions notified by the United States pursuant to Article 2.1 and as such it is not part of the Administrative Arrangements.

ROMANIA

The following provisions are drawn from the United States - Romania bilateral textile and apparel agreement of 20 December 1994 and have been agreed to be necessary for the proper implementation of restrictions notified to the Textiles Monitoring Body under Article 2.1 of the Agreement on Textiles and Clothing.

Coverage of Agreement and Classification

- 2.(A) 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 fibres, silk blends, non-cotton vegetable fibres, or blends thereof, in which any or all of these fibres in combination represent the chief weight of the product, are subject to this Agreement. Coverage pursuant to this paragraph is subject to subparagraph (C) below.
- (B) For the purposes of this Agreement, textile products covered by subparagraph (A) above shall be classified as:
- (I) Man-made fibre textiles, if the product is in chief weight of man-made fibres, unless:
- (a) the product is knitted or crocheted apparel in which wool equals or exceeds 23 per cent by weight of all fibres, in which case the product will be a wool textile; or
 - (b) the product is apparel, not knitted or crocheted, in which wool equals or exceeds 36 per cent by weight of all fibres, in which case the product will be a wool textile;
 - (c) the product is a woven fabric in which wool equals or exceeds 36 per cent by weight of all fibres, in which case the product will be a wool textile.
- (II) Cotton textiles, if not covered by (I) and if the product is in chief weight of cotton, unless the product is a woven fabric in which wool equals or exceeds 36 per cent by weight of all fibres, in which case the product will be a wool textile.
- (III) Wool textiles, if neither of the foregoing applies, and the product is in chief weight of wool.
- (IV) Silk blend or non-cotton vegetable fibre textiles, if none of the foregoing applies and the product is in chief weight of silk or non-cotton vegetable fibre, unless:
- (a) cotton with wool and/or man-made fibres in the aggregate equal or exceed 50 per cent by weight of the component fibres thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fibre components, in which case the product will be a cotton textile.
 - (b) if not covered by (IV)(a) and wool exceeds 17 per cent by weight of all component fibres, in which case the product will be considered a wool textile.
 - (c) if not covered by (IV)(a) or (b) and man-made fibres in combination with cotton and/or wool in the aggregate equal or exceed 50 per cent by weight of the component fibres thereof and the man-made fibre component exceeds the weight

of the total wool and/or total cotton component, in which case the product will be considered a man-made fibre textile.

- (C) Garments which contain 70 per cent or more by weight silk (unless they also contain over 17 per cent by weight wool), and products other than garments which contain 85 per cent or more by weight silk, are not subject to this Agreement. Silk blend and non-cotton vegetable fibre sweaters, as determined above, shall be divided into "silk blend" sweaters and "non-cotton vegetable fibres" sweaters. For the purposes of this provision sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fibre component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fibre" sweaters. Garments containing 70 per cent or more by weight silk and over 17 per cent by weight wool shall be classified as wool textiles, under subparagraph (B)(IV)(b).
- (D) Coverage under this paragraph is intended to be identical with the terms of the Arrangement and in conformance with the 31 July 1986 Protocol of Extension. In the event of a question regarding whether a product is covered by this Agreement by virtue of being chief weight of cotton, wool, man-made fibre, silk blend, or non-cotton vegetable fibre, the chief value of the fibres may be considered.
- (E) Textiles and textile products covered by this Agreement are summarized in Annex A.
- (F) The system of categories and the rates of conversion into square metres listed in Annex A shall apply in implementing the Agreement.

Merged Categories and Agreement Structure

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

Categories Merged	Designation in Agreement	Sub- Categories
333,833	333/833	None
335,835	335/835	None
338,339	338/339	None
341,840	341/840	None
347,348	347/348	None
433,434	433/434	None
447,448	447/448	None
638,639	638/639	None

Textiles and textile products of wool or man-made fibre in categories 400-469 and 600-670 shall be classified in groups as follows:

Group I-Yarns (Categories 400, 600, 603, 604, 606, 607)

Group II-Other Non-apparel Products (Categories 410, 414, 464, 465, 469, 611, 613-615, 617-622, 624-629, 665-666, 669, 670)

Group III-Apparel Products (431-436, 438, 440, 442-448, 459, 630-654, 659)

Flexibility Adjustments

- 5.(A) During any agreement year any specific limit (or sub-limit) set out in Annex B may be increased by not more than 7 per cent (5 per cent for wool categories) providing that a corresponding reduction in square metres equivalent is made to another specific limit (or sub-limit).
- (B) No specific limit may be decreased pursuant to paragraph 5(A) to a level which is below the level of exports charged against that category's limit for that agreement year.
- (C) When informing the Government of the United States of adjustments under the provisions of paragraph 5, the Government of Romania shall indicate the category or categories to be adjusted.
- (D) Special shift of 10 (ten) per cent is available to category 335/835 from category 333/833.
- (E) Special shift of 20 (twenty) per cent is available to category 447/448, 435, 442, and 444 from category 443, in square metres equivalent. Special shift is based on the receiving category's base limit for that year.
- (F) In the case of category 604, swing may be taken from any other category or categories with specific limits, as set out in Annex B, provided that the amount of the increase be compensated for by a equivalent square metres decrease during the same agreement year.
- (G) As a result of the Harmonized System, the specific limit for category 435/444 was split up into two separate limits; however, there is now 100 per cent swing between the limit for these two categories.
- (H) Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 6.

(Carryover/Carry Forward)

- 6.(A) In any agreement year, in addition to any adjustment pursuant to paragraph 5, exports may exceed by a maximum of 11 per cent 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 ("carry forward") subject to the following conditions:
- (I) Carryover may be utilized as available up to 11 per cent of the receiving agreement year's limits.
- (II) Carry forward may be utilized up to 6 per cent of the receiving agreement year's application limits and shall be charged against the immediately following agreement year's corresponding limits; no carry forward shall be available for application during the last agreement year.
- (III) The combination of carryover and carry forward shall not exceed 11 per cent of the receiving agreement year's applicable limit in any agreement year;
- (IV) Carryover of shortfall (as defined in subparagraph 6(B)) shall not be applied to any limits until the Governments of the United States of America and Romania have agreed upon the amounts of shortfall involved.

- (B) For purposes of this Agreement, a shortfall occurs when exports of textiles or textile products from Romania to the United States during an agreement year (plus any charges for overshipments made in the preceding years) are below any applicable limit set out in Annexes B, as decreased pursuant to paragraphs 5 and 6, or adjusted downwards for overshipments or other mutually agreed upon amendments. In the agreement year following the shortfall, such exports from Romania to the United States of America may be permitted to exceed the applicable limits, subject to conditions set forth above, by carryover in the following manner:
 - (I) The carryover shall not exceed the amount of shortfall in any applicable limit;
 - (II) The carryover shall be used in the category in which the shortfall occurred.
- (C) The Government of the United States of America may apply adjustments under this paragraph to any specific limits whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of this Agreement. To the extent that such adjustments are actually utilized, they will be implemented by means of carryover and carry forward in that order. Any unused carry forward will be re-credited to the following period's limit. This procedure will not prejudice the outcome of any consultations that may be held between our governments concerning the amounts of available carryover and carry forward used.

Spacing Provision

- 9. The Government 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.

Overshipment Charges

- 10.(A) Exports from Romania in excess of authorized levels in each agreement year will, if allowed entry into the United States, be charged to the applicable level for the succeeding agreement year.
- (B) Any action taken pursuant to subparagraph 10(A) above, will not prejudice the rights of either side regarding consultations.

Exchange of Data

- 11. Upon request the Government of the United States of America shall promptly supply the Government of Romania with monthly data on imports of textiles from Romania, and upon request the Government 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.

Consultation on Implementation Questions

- 12. The Government of the United States of America and the Government of Romania agree to consult on any question arising in the implementation of this 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 this Agreement, either government may, after notification to the other government, refer such problems to the Textiles Surveillance Body in accordance with Article II of the Arrangement.

Mutually Satisfactory Administrative Arrangements

13. 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.

US Assistance in the Implementation of the Limitation Provisions

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

Cooperation in the Prevention of Circumvention

- 17.(A) Consistent with their domestic laws and procedures, the Government of the United States and the Government of Romania agree to take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of this Agreement by transshipment, rerouting, false declaration concerning country of origin falsification of official documents or any other means.
- (B) Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the Agreement to address problems arising from circumvention and to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, to the extent consistent with domestic laws and procedures, will include investigation of circumvention practices; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of impromptu plant visits and contacts by representatives of either party, upon request and on a case-by-case basis.
- (C) If either party believes that this Agreement is being circumvented, it may request consultations to address the matter or matters concerned with a view to seeking a mutually satisfactory solution. Each party agrees to hold such consultations promptly, beginning within 30 days of a written request by a party and concluding within 90 days, unless extended by mutual agreement, and to cooperate fully in terms of the elements set out in paragraph B above.
- (D) Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under paragraph C, then the Governments of Romania and the United States agree that in cases where evidence regarding circumvention has been provided, the Government of the United States may deduct from the quantitative limits for that agreement period amounts equivalent to the amount of transshipped products of Romanian origin. The amounts transshipped shall be the amounts and the country of origin shall be the country of origin so determined by US Customs. In addition, the Governments of Romania and the United States agree that deductions from the quantitative limits established under this Agreement may be made in those instances in which: (a) the Government of the United States possesses information showing a substantial likelihood that circumvention has occurred, (b) the Government of the United States has requested from Romania cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by the Government of Romania, and (c) the Government of Romania has not provided such information or cooperation within the period for consultation outlined in paragraph C. Any such action within this paragraph shall be notified to the TSB with full justification.

- (E) Should the Government of the United States choose to exercise its rights under paragraph D to deduct an amount or amounts from the quantitative limits of a country where repeated instances of circumvention have been demonstrated within the current or immediately preceding agreement year, then the Government of the United States may deduct from the quantitative limit amounts up to three times the amounts transshipped, provided that such deductions are distributed equally in each of the three following years.
- (F) Where there is evidence showing that goods originating in another country have been shipped through Romania to the United States as though they were products of Romania, the Governments of Romania and the United States agree to take appropriate action. Such action may include the introduction of restraints in the relevant category or categories or deducting the amount of goods so shipped from the quantitative limits established for the current agreement year under this Agreement for shipments originating in Romania. Any such actions, together with their timing and scope, may be taken after consultation held with a view of arriving at a mutually satisfactory solution and shall be notified to the TSB with full justification. Such consultations should be held promptly, beginning within 30 days of a written request by a party and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Romania and the United States agree that in cases where clear information regarding circumvention has been provided, the Government of the United States may introduce a restraint or, where a restraint already exists, may deduct from the quantitative limits established under this Agreement for that agreement period an amount equivalent to the amount of product transshipped through Romania.
- (G) Parties agree that false declaration concerning fibre content, quantities, description or classifications of merchandise also frustrates the objective of this Agreement. Where there is evidence that any such false declaration has been made for purposes of circumvention, both parties agree to take appropriate measures, consistent with their domestic laws and procedures, against exporters or importers involved. Should either party believe that this Agreement is being circumvented by such false declaration and that no, or inadequate, administrative measures are being applied to address and/or to take action against such circumvention, that party should consult promptly with the party involved with a view to seeking a mutually satisfactory solution. Such consultations should be held promptly, beginning within 30 days of a written request by a party, and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Romania and the United States agree that in cases where evidence regarding such false declarations has been provided, then the Government of the United States may deduct from the quantitative limits established for the current agreement year an amount equivalent to the amount of product subject to the false declaration or classification. This provision is not intended to prevent parties from making technical adjustments when inadvertent errors in declarations have been made.

Correct Category/Quantity Visa System

- 18.(A) The provisions of the Visa Arrangement of 31 October 1982 and 25 March 1983 in force between the Governments of the United States of America and Romania will apply to the certification of exports of textile products from Romania.

Commercial Samples and Personal Shipments

- (B) Properly marked commercial sample shipments valued at US 250 dollars or less, and items for the personal use of the importer and not for resale do not require a visa for entry into the United States and are not subject to the quantitative limits under this Agreement.

ANNEX A

Categories numbered in the:

200 series are of cotton and/or man-made fibre

300 series are of cotton

400 series are of wool

600 series are of man-made fibre

800 series are of silk blends or non-cotton vegetable fibres

CATEGORY UNIT	DESCRIPTION	CONVERSION FACTOR TO SQUARE METRES	
YARN			
200	Yarns put up for retail sale, and sewing thread	6.6	Kg
201	Specialty yarns	6.5	Kg
300	Carded yarns	8.5	Kg
301	Combed yarns	8.5	Kg
400	Wool yarn	3.7	Kg
600	Textured filament yarns	6.5	Kg
603	Staple artificial yarn	6.3	Kg
604	Staple synthetic yarn	7.6	Kg
606	Non-textured filament	20.1	Kg
607	Other staple yarn	6.5	Kg
800	Silk blends or non-cotton vegetable fibre yarn	8.5	Kg
FABRIC			
218	Of yarns of different colour	1.0	M2
219	Duck	1.0	M2
220	Fabric of special weave	1.0	M2
222	Knit fabric	12.3	Kg
223	Non-woven fabrics	14.0	Kg
224	Pile and tufted fabrics	1.0	M2
225	Blue denim	1.0	M2
226	Cheesecloth, batistes, etc.	1.0	M2
227	Oxford cloth	1.0	M2
229	Special purpose fabric	13.6	Kg.
313	Sheeting	1.0	M2
314	Poplin and broadcloth	1.0	M2
315	Printcloth	1.0	M2
317	Twills	1.0	M2
326	Sateens	1.0	M2
410	Woven fabrics	1.0	M2
414	Other wool fabrics	2.8	Kg
611	Woven fabric containing 85% or more by weight artificial staple	1.0	M2
613	Sheeting	1.0	M2
614	Poplin and broadcloth	1.0	M2
615	Printcloth	1.0	M2
617	Twills and sateens	1.0	M2
618	Woven artificial filament fabric	1.0	M2

619	Polyester filament fabric	1.0	M2
620	Other synthetic filament fabric	1.0	M2
621	Impression fabric	14.4	Kg
622	Glass fibre fabric	1.0	M2
624	Man-made fibre fabric, woven, containing more than 15 per cent but less than 36 per cent wool	1.0	M2
Staple/filament combination:			
625	Poplin and broadcloth	1.0	M2
626	Printcloth	1.0	M2
627	Sheeting	1.0	M2
628	Twills and sateens	1.0	M2
629	Other fabrics	1.0	M2
810	Woven fabric	1.0	M2
APPAREL			
237	Playsuits, sunsuits, etc.	19.2	Doz
239	Babies' garments and clothing accessories	6.3	Kg
330	Handkerchiefs	1.4	Doz
331	Gloves and mittens	2.9	Dpr
332	Hosiery	3.8	Doz
333	M and B suit-type coats	30.3	Doz
334	Other M and B coats	34.5	Doz
335	W and G coats	34.5	Doz
336	Dresses	37.9	Doz
338	M and B knit shirts	6.0	Doz
339	W and G knit shirts and blouses	6.0	Doz
340	M and B shirts, not knit	20.1	Doz
341	W and G shirts and blouses, not knit	12.1	Doz
342	Skirts	14.9	Doz
345	Sweaters	30.8	Doz
347	M and B trousers, slacks, and shorts	14.9	Doz
348	W and G trousers, slacks, and shorts	14.9	Doz
349	Brassieres and other body supporting garments	4.0	Doz
350	Robes, dressing gowns, etc.	42.6	Doz
351	Nightwear and pyjamas	43.5	Doz
352	Underwear	9.2	Doz
353	M and B down-filled coats	34.5	Doz
354	W and G down-filled coats	34.5	Doz
359	Other cotton apparel	8.5	Kg
431	Gloves and mittens	1.8	Dpr
432	Hosiery	2.3	Dpr
433	M and B suit-type coats	30.1	Doz
434	Other M and B coats	45.1	Doz
435	W and G coats	45.1	Doz
436	Dresses	41.1	Doz
438	Knit shirts and blouses	12.5	Doz
439	Babies' garments and clothing accessories	6.3	Kg
440	Shirts and blouses, not knit	20.1	Doz
442	Skirts	15.0	Doz
443	M and B suits	3.76	No

444	W and G suits	3.76	No
445	M and B sweaters	12.4	Doz
446	W and G sweaters	12.4	Doz
447	M and B trousers, slacks, and shorts	15.0	Doz
448	W and G trousers, slacks, and shorts	15.0	Doz
459	Other wool apparel	3.7	Kg
630	Handkerchiefs	1.4	Doz
631	Gloves and mittens	2.9	Dpr
632	Hosiery	3.8	Dpr
633	M and B suit-type coats	30.3	Doz
634	Other M and B coats	34.5	Doz
635	W and G coats	34.5	Doz
636	Dresses	37.9	Doz
638	M and B knit shirts	15.0	Doz
639	W and G knit shirts and blouses	12.5	Doz
640	M and B shirts, not knit	20.1	Doz
641	W and G shirts and blouses, not knit	12.1	Doz
642	Skirts	14.9	Doz
643	M and B suits	3.76	No
644	W and G suits	3.76	No
645	M and B sweaters	30.8	Doz
646	W and G sweaters	30.8	Doz
647	M and B trousers, slacks, and shorts	14.9	Doz
648	W and G trousers, slacks, and shorts	14.9	Doz
649	Brassieres and other body supporting garments	4.0	Doz
650	Robes, dressing gowns, etc.	42.6	Doz
651	Nightwear and pyjamas	43.5	Doz
652	Underwear	13.4	Doz
653	M and B down-filled coats	34.5	Doz
654	W and G down-filled coats	34.5	Doz
659	Other man-made fibre apparel	14.4	Kg
831	Gloves and mittens	2.9	Dpr
832	Hosiery	3.8	Dpr
833	M and B suit-type coats	30.3	Doz
834	Other M and B coats	34.5	Doz
835	W and G coats	34.5	Doz
836	Dresses	37.9	Doz
838	Knit shirts and blouses	11.7	Doz
839	Babies' garments and clothing accessories	6.3	Kg
840	Shirts and blouses, not knit	16.7	Doz
842	Skirts	14.9	Doz
843	M and B suits	3.76	No
844	W and G suits	3.76	No
845	Sweaters of non-cotton vegetable fibres	30.8	Doz
846	Sweaters of silk blends	30.8	Doz
847	Trousers, slacks, and shorts	14.9	Doz
850	Robes, dressing gowns, etc.	42.6	Doz
851	Nightwear and pyjamas	43.5	Doz
852	Underwear	11.3	Doz
858	Neckwear	6.6	Kg
859	Other apparel	12.5	Kg

MADE-UP AND MISCELLANEOUS TEXTILES

360	Pillowcases	0.9	No
361	Sheets	5.2	No
362	Bedspreads and quilts	5.8	No
363	Terry and other pile towels	0.4	No
369	Cotton manufactures, (nspf)	8.5	Kg
464	Blankets	2.4	Kg
465	Floor coverings	1.0	M2
469	Wool manufactures, nspf	3.7	Kg
665	Floor coverings	1.0	M2
666	Other furnishings	14.4	Kg
669	Other manufactures	14.4	Kg
670	Flat goods, handbags, and luggage	3.7	Kg
863	Towels	0.4	No
870	Luggage	3.7	Kg
871	Handbags and flatgoods	3.7	Kg
899	Other manufactures	11.1	Kg