

No. 27062

**UNITED STATES OF AMERICA
and
BRAZIL**

**Exchange of notes constituting an agreement relating to trade
in cotton and man-made fiber textiles and textile prod-
ucts (with annexes). Washington, 31 March 1982**

Authentic text: English.

Registered by the United States of America on 24 January 1990.

**ÉTATS-UNIS D'AMÉRIQUE
et
BRÉSIL**

**Échange de notes constituant un accord relatif au commerce
des textiles et produits textiles en coton et fibres artifi-
cielles (avec annexes). Washington, 31 mars 1982**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 24 janvier 1990.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND BRAZIL RELATING TO TRADE IN COTTON AND MAN-MADE FIBER TEXTILES AND TEXTILE PRODUCTS

I

DEPARTMENT OF STATE
WASHINGTON

March 31, 1982

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 the Protocols adopted respectively on December 14, 1977³ and December 22, 1981⁴ at Geneva (hereinafter referred to as the Arrangement). I have also the honor to refer to discussions between representatives of the Government of the United States of America and the Government of the Federative Republic of Brazil held in Rio de Janeiro from February 15 to February 19, 1982, concerning exports of cotton and man-made fiber textiles and textile products from Brazil to the United States of America. As a result of those discussions and in conformity with Articles 4 and 6 of the Arrangement, I have the honor to propose the following Agreement relating to Trade in Cotton and Man-Made Fiber Textiles and Textile Products between the Government of the Federative Republic of Brazil and the Government of the United States of America.

¹ Came into force on 31 March 1982 by the exchange of the said notes.

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

³ *Ibid.*, vol. 1078, p. 288.

⁴ *Ibid.*, vol. 1281, p. 472.

1. The term of this Agreement shall be the three-year period from April 1, 1982 through March 31, 1985. Each "Agreement Period" shall be the twelve month period from April 1 to March 31, with the first Agreement Period commencing on April 1, 1982 and ending on March 31, 1983.

2. Textiles and textile products covered by this Agreement shall be classified in three groups, as follows:

<u>Group</u>	<u>Definition</u>
I	Yarn and fabric textile products of cotton (Categories 300-320).
II	Apparel, made-up goods, and miscellaneous textile products of cotton (Categories 330-369).
III	Man-made fiber textiles and textile products (Categories 600-669).

The determination of whether a textile or textile product is of cotton or man-made fiber shall be made in accordance with the terms of paragraph 11. The categories referred to in the above definitions of groups are summarized in Annex A.

3. (a) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement.

(b) For purposes of this Agreement, and in recognition of the patterns of trade of the Federative Republic of Brazil

with the United States of America, the categories below are merged and treated as a single category, as indicated, with a designated consultation level as set out in Annex C.

Categories Merged

Designation in Agreement

300, 301

300/301

For purposes of computing charges to Aggregate, Group and Specific Limits for the categories cited above, rates of conversion for individual categories set out in Annex A shall be applied.

4. Commencing with the first Agreement Period and during the subsequent term of this Agreement, the Federative Republic of Brazil shall limit annual exports from Brazil to the United States of America of cotton and man-made fiber textiles and textile products to the Aggregate, Group and Specific Limits set out in Annex B, as such Limits may be adjusted in accordance with paragraphs 8, 9 and 10. The Limits set out in Annex B do not include any adjustments permitted under paragraphs 8, 9 and 10. The Aggregate, Group and Specific Limits shall be increased in the Second and Third Agreement Period by seven percent annually, as shown in Annex B.

5. (a) Within the Group Limits, exports of cotton textiles and textile products in individual categories without Specific Limits shall be subject to category consultation levels. Except as specified in Annex C, the annual consultation levels for cotton categories not given Specific Limits shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for

each apparel category. Man-made fiber categories not specified in Annex C and not given Specific Limits shall be subject to the consultation mechanism specified in paragraph

6. (b) In the event the Government of the Federative Republic of Brazil wishes to export to the United States of America textile products in excess of the applicable consultation levels, the Government of the Federative Republic of Brazil shall request the higher levels. The Government of the United States of America shall consider the request sympathetically. The Government of the United States of America shall respond promptly, and will meet in Washington, D.C. no later than 30 days following the date of the receipt of the Brazilian request and resolve the issue within 30 days following the date of the initial meeting. If the Government of the United States of America is unable to comply fully because of problems of market disruption, as defined in Annex A of the Arrangement, in the United States of America, in a category subject to such request, the Government of the United States of America will so inform the Government of the Federative Republic of Brazil. The Government of the United States of America will supply data which form the basis of the position taken by the United States of America. Until a mutually satisfactory change in the consultation level of the category in question is established, shipments shall not exceed the existing consultation level.

6. (a) In the event that the Government of the United States of America believes that imports of man-made fiber textiles or textile products from the Federative Republic of Brazil, in any category or categories not covered by Specific Limits, Designated Consultation Levels