



AMERICAN INSTITUTE IN TAIWAN

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Mr. Jason Hu  
Representative  
Taipei Economic and Cultural  
Representative Office  
4201 Wisconsin Avenue, NW  
Washington, D.C. 20016

Dear Mr. Hu:

I refer to the Agreement between American Institute in Taiwan (AIT) and Coordination Council for North American Affairs (CCNAA) relating to trade in cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products effected by an exchange of letters June 4 and June 24, 1993. I also refer to discussions between AIT and Taipei Economic and Cultural Office (TECRO), most recently from December 4 through December 6, 1995. As a result of those discussions I propose, on behalf of AIT, the following Agreement relating to trade in cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products:

1. This Agreement amends and extends the Textile Agreement between CCNAA and AIT of June 4 and June 24, 1993. For the sake of clarity, it has been decided to write a new agreement to incorporate all modifications which have been agreed. This agreement represents the outcome of that effort and, accordingly, shall be the bilateral instrument which governs textile trade between Taiwan and the United States.

Term

2. (a) The term of this Agreement shall be from January 1, 1996, through December 31, 1997, except as provided in paragraph 16.
- (b) An "agreement year" shall be a calendar year commencing on January 1 and ending December 31.

Coverage and Structure

3. Textiles and textile products covered by this Agreement are as follows. The determination of whether a textile or textile product is of cotton, wool, man-made fiber, or silk blend or other non-cotton vegetable fiber shall be made in accordance with the terms of paragraph 9. The categories referred to below are those described in Annex B hereto.

(a) Group I - being products other than apparel (including yarn, fabric, and other made-up and miscellaneous products) of cotton, wool, and/or man-made fibers; and luggage of silk blend and/or other non-cotton vegetable fibers (categories 200, 201, 218, 219, 220, 222, 223, 224, 225, 226, 227, 229, 300, 301, 313, 314, 315, 317, 322, 360, 361, 362, 363, 369, 400, 410, 414, 464, 465, 469, 600, 603, 604, 606, 607, 611, 613, 614, 615, 617, 618, 619, 620, 621, 622, 624, 625, 626, 627, 628, 629, 665, 666, 669, 670, 670).

(b) Group II - being apparel of cotton, wool, man-made fiber, silk blend and/or other non-cotton vegetable fibers except for category 845 (categories 237, 239, 330, 331, 332, 333, 334, 335, 336, 338, 339, 340, 341, 342, 345, 347, 348, 349, 350, 351, 352, 353, 354, 359, 431, 432, 433, 434, 435, 436, 438, 439, 440, 442, 443, 444, 445, 446, 447, 448, 459, 630, 631, 632, 633, 634, 635, 636, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 659, 631, 632, 633, 634, 635, 636, 638, 639, 640, 642, 643, 644, 646, 647, 650, 651, 652, 653, 659).

(c) Group III - being sweaters of other non-cotton vegetable fibers (category 845).

(d) Products of silk blend and/or other non-cotton vegetable fibers not covered by (a), (b) or (c) of this paragraph including yarn, fabrics and other made-up and miscellaneous products of silk blend and/or other non-cotton vegetable fibers (categories 600, 610, 663, 671 and 899).

Limits

4. (a) (i) During the term of this Agreement, TECRO shall limit annual exports from Taiwan of cotton, wool, man-made fiber, and silk blend or other non-cotton vegetable fiber textiles and textile products of Taiwan origin to the United States of America to the group limits, sub-group limits, specific limits and sub-limits set forth in Annex

A proviso, as such, shall may be adjusted in accordance with paragraphs 5 and 6. The groups and specific limits set out in Annex A are without such adjustments. All textile and textile products in categories not subject to specific limits may be exported from Taiwan to the United States of America only in accordance with paragraph 7.

(ii) With respect to the following categories in Group I, TECRO shall limit annual exports from Taiwan to the United States to the specific limits set out in Annex A of the Agreement, as may be adjusted by swing, carryover and carryforward: 200, 219, 313, 314, 315, 361, 369-S and 604. In addition, TECRO agrees to limit the total exports of these categories in square meters equivalent (SME) as follows:

1996	1997
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136,210,756	136,684,795

It is further agreed that carryover and carryforward of three percent (of which carryover shall not exceed one percent) shall apply to the annual levels set out above. Group quota not used by the sub-group categories is available to the rest of the group. Group quota may be used by the sub-group categories up to the sub-group limit. While the sub-group limit has no carryforward in 1997, the specific limits within the sub-group will still have available all the flexibilities permitted under paragraphs 5 and 6 of this Agreement.

(iii) With respect to the following categories in Group II, TECRO shall limit annual exports from Taiwan to the United States to the specific limits set out in Annex A of the Agreement as may be adjusted by swing, special shift, carryover and carryforward: 333/4/5, (335), 341, 342, 350/650, 351, 447/8, 636, 641, (641-y) and 651.

In addition, TECRO agrees to limit the total exports of these categories in square meters equivalent (SME) as follows:

1996	1997
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74,639,669	75,332,954

It is further agreed that carryover and carryforward of three percent (of which carryover shall not exceed one percent) shall apply to the annual levels set out above. Group quota not used by the sub-group categories is available to the rest of the group. Group quota may be used by the sub-group categories up to the sub-group limit. While the sub-group limit has no carryforward in 1997, the specific limits within the sub-group will still have available all the flexibilities permitted under paragraphs 5 and 6 of this Agreement.

(b) All textile and apparel products shipped under this Agreement for the personal use of the importer, regardless of value, and properly marked commercial sample shipments valued at U.S. Dollars 250 or less, shall not be subject to the limits in Annex A or the procedures of paragraph 7 of the Agreement, nor shall they require a visa for entry into the United States. The products listed in Annex C shall not be subject to the limits in Annex A.

#### Swing

5. (a) During any agreement year, the group limits set out in Annex A (or pursuant to an amendment thereto) as they may be adjusted under paragraph 6, may be exceeded by not more than the following percentages:

for Group I -- five percent

for Group II -- one percent

provided that the total of the group limits of Groups I and II is not exceeded.

(b) There will be no swing for sub-group I and sub-group II. Group quota may be used by the sub-group categories up to the sub-group limit. The specific limits within the sub-group will still have available the flexibility permitted under paragraphs 5 and 6 of this agreement.

(c) During any agreement year, and within the applicable group limit for such an agreement year as it may be adjusted under paragraphs 5(a) and 6, the specific limits and sub-limits set out in Annex A (or pursuant to an amendment thereto) may be exceeded by not more than the percentages set out below:

(i) One percent for categories and sublimits 633/4/5, 635/4, and 635.

- (ii) Two and one-half percent for part category 670-H.
- (iii) Five percent for categories, sub-limits and part-categories 239, 331, 340, 341, 359-H/659-H, 369-L/670-L/970, 433, 434, 436, 438, 440, 442, 443, 444, 445/6, 447/8, 638/9, 641, 641-Y, and 647/8.
- (iv) Six percent for categories and sub-limits 333/4/5, 335, 338/9, 347/8, 347-W/348-W, 435, and 604.
- (v) Six and one-half percent for category 313.
- (vi) No swing for categories and sub-limits 647-W/648-W, 645/6, 640, 640-Y, 845.
- (vii) Seven percent for all other specific limits.

(d) Swing shall be calculated on the base limit as specified in Annex A.

#### Special Shift

(e) In addition to the adjustments pursuant to sub-paragraph 5(c), the following adjustments to the specific limits set out in Annex A are available during any agreement year. Any adjustments made to base limits under this agreement may not result in the levels for overall limits being less than the levels of the sublimits.

- (i) Category 331 may be increased by up to five percent provided that an equivalent quantity is deducted from category 631 in the same agreement year, and vice versa.
- (ii) Category 336 may be increased by up to twenty percent provided that an equivalent quantity is deducted from category 636 in the same agreement year, and vice versa.
- (iii) Category 338/9 may be increased by up to ten percent provided that an equivalent quantity in dozens is deducted from category 638/9 in the same agreement year.

(iv) Category 338/9 may be increased by an additional ten percent provided that four times the 2nd 10 percent, added to category 338/9 in dozens is deducted from category 638/9 in the same agreement year.

(v) Category 340 may be increased by up to ten percent provided that an equivalent quantity is deducted from category 640 in the same agreement year.

(vi) Category 341 may be increased by up to ten percent provided that an equivalent quantity is deducted from category 641 in the same agreement year, and vice versa.

(vii) Category 342 may be increased by up to twenty percent provided that an equivalent quantity is deducted from category 642 in the same agreement year, and vice versa.

(viii) Category 347/8 may be increased by up to fifteen percent provided that an equivalent quantity is deducted from category 647/8 in the same agreement year.

(ix) Category 351 may be increased by up to twenty five percent provided that an equivalent quantity is deducted from category 651 in the same agreement year, and vice versa.

(x) The specific limit on the categories listed in the left-hand column below may be increased by the quantities stated in the center columns in the agreement years indicated, provided that during the same agreement year an equivalent quantity is deducted from the corresponding upper- and lower-garment categories listed in the right-hand column:

<u>Category</u>	<u>1996 Quantity (in nos)</u>	<u>1997 Quantity (in nos)</u>	<u>Component Garment Categories</u>
443	10,602	10,708	433 and 447/8
444	137,032	138,402	435 and 442 or 447/8
643	110,851	111,960	633 and 647/8
644	1,812,299	1,857,606	635 and 642 or 647/8

(xii) For the 1996-1997 quota years the following applies:

Category	Special Flexibility	1996	1997	Units
347/348	Additional Special Shift from 647/648	60,000	60,000	dz.
	Additional Swing	165,750	165,750	dz.
347-w/348-w	Special Shift from 647-w/648-w or 647/648	15%	15%	
647/648	Additional Swing	60,750	60,750	dz.

Carryforward and Carryover

6. (a) Any group limit, subgroup limit, specific limit or sub-limit set out in Annex A may be exceeded in any agreement year by carryforward and/or carryover as provided below. Any adjustments made to base limits under this agreement may not result in the levels for overall limits being less than the levels of the sublimits.

(i) In the case of any group limit or sub-group limit, to a maximum of three percent, of which carryover shall not represent more than one percent.

(ii) In the case of any specific limit or sub-limit except as provided in 6(a)(iii), to a maximum of two percent, of which carryover shall not represent more than one percent.

(iii) In the case of categories and sub-categories 340, 633/4/5, 633/4 and 635, carryforward of 7.15 percent.

(iv) No carryforward shall be available for application in the final agreement year.

(b) For purposes of this Agreement, a shortfall occurs when exports of textiles and textile products from Taiwan to the United States of America, in any agreement year, are below any applicable group limit, subgroup limit, specific limit or sub-limit as set out in Annex A.

(c) Carryover and carryforward shall be calculated on the base limit of the receiving category in the receiving year as specified in Annex A.

(d) Adjustments made under this paragraph are in addition to those permitted under paragraph 5.

Export Certification System

7. (a) Each category and part-category not subject to a specific limit will be subject to the consultation procedures as set forth in sub-paragraphs 7(b) through 7(h) below.

(b) (i) TECRO shall provide weekly reports promptly (i.e., as soon as possible but in no case later than five U.S. working days following the close of the reporting period) to AIT on export certifications (EC), by category and part-category, issued for export to the United States for each category and part-category not subject to a specific limit.

(ii) TECRO will notify AIT immediately whenever EC applications for any category or part-category total 15 percent of the previous agreement year's trade within the reporting period, provided that the issuance of such ECs would bring the total cumulative issuances for the year to 80 percent of the previous year's trade or 66,890 square meters equivalent for wool products and 468,231 square meters equivalent for cotton, man-made fiber, silk blend and other non-cotton vegetable fiber products, whichever is higher.

(iii) TECRO will wait at least five U.S. working days after notification to AIT before issuing ECs against the applications in question.

(c) AIT may request consultations with a view to agreement on an appropriate level of restraint for any category, part-category, or product not given a specific limit for any agreement year whenever, in the view of AIT, conditions in the U.S. market warrant such a limitation on further trade in any such category, part-category, or product in order to eliminate a real risk of market disruption.

(d) The request for such consultations shall be supported as soon as possible, and in any case within 21 days of the date of the request, by a statement of market conditions in the United States of America which in the opinion of AIT make necessary the request for consultations. The statement shall include data similar to that contemplated in paragraphs 1 and 2 of Annex A of the Arrangement.

(e) Upon receipt of a request for such consultations, TECRO, as requested by AIT, shall cease or otherwise limit further issuance of ECs for a period of seven U.S. working days. AIT may request TECRO to extend that period of seven U.S. working days and may also request Taiwan to limit the issuance of ECs to a level different from that specified in paragraph 7(f)(i) or (ii) below, whichever is applicable. TECRO shall consider any such request sympathetically and shall respond promptly. Unless agreed otherwise, the TECRO shall have the right, following the expiration of the period of seven U.S. working days mentioned above or any agreed extension thereof, to resume the issuance of ECs up to the level specified in paragraph 7(f)(i) or (ii) below, whichever is applicable. ECs thus issued, as well as ECs issued prior to receipt of the request for consultations, may be honored by the issuance of export licenses by the TECRO.

The two parties, unless otherwise agreed, shall consult as soon as possible within 30 days of the request for such consultations and shall make their best efforts to complete such consultations within 30 days of the commencement.

(f) (i) In the event that consultations do not result in agreement, AIT shall have the right to request the TECRO to limit exports of the relevant products during the agreement year in which the request for consultations is made to a level not less than the highest of:

(A) The level of trade in the relevant product, category or part-category for the immediately preceding agreement year plus either 15 percent of that level (in the case of cotton, man-made fiber, silk blend and other non-cotton vegetable fiber products) or 6 percent of that level (in the case of wool products).

(B) The average of the level of trade for those categories not listed in paragraph 7(f)(i)(c) which are not affected by conversion to the HCC in the relevant product, category or part-category for all previous years since January 1, 1981 (January 1, 1987, in the case of silk blend and other non-cotton vegetable fibers) plus either 15 percent of that average level (in the case of cotton, man-made fiber, silk blend and other non-cotton vegetable fiber products), or 6 percent of that average level (in the case of wool products), or

(C) The average of the level of trade for the 200 category series and other categories affected by conversion to the HCC, in the relevant product, category, or part-category for all previous years since January 1, 1986 (January 1, 1987 in the case of silk blend and other non-cotton vegetable fibers), plus either 15 percent of that average level (in the case of cotton, man-made fiber, silk blend and other non-cotton vegetable fiber products), or 6 percent of that average level (in the case of wool products).

(D) The limit requested by AIT for the cessation of issuance of ECs in accordance with paragraph 7(a) hereof.

(ii) Except as provided for in sub-paragraph 7(f)(iv) below, in respect of any product, or category or part-category where a limit has been established for a single agreement year and where, in the immediately subsequent agreement year, AIT makes another request for consultations under sub-paragraph 7(c) of this Agreement; and, in the event that such consultations do not result in agreement, AIT shall have the right to request TECRO to limit exports of the relevant products during the agreement year in which the request for consultations is made to a level not less than the higher of:

(A) The limit established for the immediately preceding year plus either 8 percent of that limit (in the case of cotton, man-made fiber, silk blend and other non-cotton vegetable fiber products) or 3 percent of that limit (in the case of wool products).

(B) The limit requested by AIT may be the cessation of issuance of ECs in accordance with subparagraph 7(e) hereof.

(iii) Where AIT makes a request under paragraph 7(f)(i) or (ii) hereof, TECRO agrees that it will honor such a request.

(iv) In respect of any product, category or part-category for which a limit is established in any one agreement year, either party may, prior to the start of the immediately following agreement year, elect to convert that limit into a specific limit effective as such from January 1 of the immediately following agreement year. Where such a conversion is made, the specific limit so created shall, from the date of effect, be accorded growth at 2.5 percent per annum for cotton, man-made fiber, silk blend and other non-cotton vegetable fiber products, and one percent per annum for wool products. The specific limit so created shall, from the year of effect, be accorded flexibility (as provided for in paragraph 5) at 7 percent; and in subsequent years the flexibility provisions set out in paragraph 6 of the Agreement shall also apply. In the event a silk blend or other vegetable fiber category under paragraph 3(d) is converted into a specific limit, appropriate arrangements for swing (both into and out of such category) will be made.

(v) Should two requests in respect of the same product, category or part-category be made under paragraph 7(c) hereof during the term of this Agreement but in different non-consecutive agreement years, the provisions of paragraph 7(f)(i) shall apply to the second of the two requests.

(vi) The two parties agree that the provisions of paragraph 7 hereof shall not derogate from the rights of the two parties under paragraph 17 of this Agreement.

(g) For the purposes of paragraph 7 hereof, the phrase "level of trade" shall mean the level of trade established by consultations to be held within the first six months after the end of each agreement year or, where such consultations have not been completed, the level of trade by date of export.

(h) TECRO and AIT shall consult as early as possible with regard to problems that may arise if the provisions of paragraph 7 are invoked near the end of an agreement year to consider the possibility of avoiding undue hardship to the trade.

8. TECRO shall administer its export control system under this Agreement. AIT may assist TECRO in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

#### Classification

9. (a) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products, all being products which derive their chief characteristics from their textile components of cotton, wool, man-made fiber, silk blends, non-cotton vegetable fibers, or blends thereof, in which any or all of those fibers in combination represent the chief weight of the product, are subject to this Agreement.

(b) For the purposes of this Agreement, textile products covered by sub-paragraph (a) above shall be classified as:

(i) man-made fiber textiles, if the product is in chief weight of man-made fibers, unless:

(A) the product is knitted or crocheted apparel in which wool equals or exceeds 23 percent by weight of all fibers, 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 percent by weight of all fibers, in which case the product will be a wool textile; or

(C) the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, 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 percent by weight of all fibers, 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 fibers textiles, if none of the foregoing applies and the product is in chief weight of silk or non-cotton vegetable fibers, unless:

(A) cotton with wool and/or man-made fibers in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fiber components, in which case the product will be a cotton textile.

(B) if not covered by (iv)(A) and wool exceeds 17 percent by weight of all component fibers, in which case the product will be considered a wool textile.

(C) if not covered by (iv)(A) or (B) and man-made fibers in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the man-made fiber component exceeds the weight of the total wool and/or cotton component, in which case the product will be considered a man-made fiber textile.

(c) Notwithstanding the above, garments which contain 70 percent or more by weight silk (unless they also contain over 17 percent by weight wool), and products other than garments which contain 85 percent or more by weight silk, are not subject to this Agreement. Silk blend and non-cotton vegetable fiber sweaters, as determined above, shall be divided into "silk blend" sweaters and "non-cotton vegetable fiber" sweaters. For the purpose of this division, sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fiber component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fiber" sweaters. Garments containing 70 percent or more by weight silk and over 17 percent by weight wool shall be classified as wool textiles, under subparagraph (b)(iv)(B).

coverage under this paragraph is intended to be identical with the terms of Article 12 of the Arrangement regarding International Trade in Textiles and in conformance with paragraph 24 of the July 31, 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 fiber, silk blend or non-cotton vegetable fiber, the chief value of the fibers may be considered.

Merged Categories

10. (a) The system of categories and the rates of conversion listed in Annex B hereto shall apply in implementing this Agreement, except as provided for in paragraph 10 hereof.

(b) For the purpose of this Agreement and with reference to the particular circumstances of Taiwan's trade patterns with the United States of America, the categories and part-categories below are merged as indicated and treated as single categories, with limits for categories and sub-categories as set out in Annex A.

<u>Categories Merged</u>	<u>Designation in the Agreement</u>	<u>Sub-categories</u>
225, 317, 326	225/317/326	None
300, 301, 607	300/301/607	300; 301; 607
369-L, 670-L, 870	369-L/670-L/870	None
613, 614, 615, 617	613/4/5/7	None
619, 620	619/20	None
625, 626, 627,		
628, 629	625/6/7/8/9	None
333, 334, 335	333/4/5	335
338, 339	338/9	None
347, 348	347/8	347-W/348-W
347-W, 348-W	347-W/348-W	None
350, 650	350/650	None
352, 652	352/652	None
359-C, 659-C	359-C/659-C	None
359-H, 659-H	359-H/659-H	None
445, 446	445/6	None
447, 448	447/8	None
633, 634, 635	633/4/5	633/4; 635
638, 639	638/9	None
645, 646	645/6	None
647, 648	647/8	647-W/648-W
647-W, 648-W	647-W/648-W	None

(c) For the purpose of this Agreement, the following categories summarized in Annex B are divided into part categories:

<u>Category</u>	<u>Designation in the Agreement</u>	<u>Description</u>
347	347-W	M & B woven pants
347	347-K	M & B knit pants
348	348-W	W & G woven pants
348	348-K	W & G knit pants
359	359-C	Coveralls
359	359-H	Headwear
359	359-O	Other
369	369-L	Luggage
369	369-S	Shoetowels
369	369-O	Other
647	647-W	M & B woven pants
647	647-K	M & B knit pants
648	648-W	W & G woven pants
648	648-K	W & G knit pants
659	659-C	Coveralls
659	659-H	Headwear
659	659-S	Swimwear
659	659-O	Other
669	669-P	Polypropylene bags
669	669-T	Tents
669	669-O	Other
670	670-H	Handbags
670	670-L	Luggage
670	670-O	Other

(d) The following sub-limits shall be established:

<u>Category</u>	<u>Designation in the Agreement</u>	<u>Description</u>
640	640-Y	Shirts made of yarn-dyed fabric
641	641-Y	Blouses made of yarn-dyed fabric
347/348	347-W/348-W	cotton trousers, pants and shorts made of woven fabric
647/648	647-W/648-W	man-made fiber trousers, pants and shorts made of woven fabric

(e) For the purpose of computing limits and charges to limits, the rates of conversion for individual categories set out in Annex B shall be applied, except as stated below:

<u>Category</u>	<u>Conversion Factor</u>
300/301/607	8.50
323/4/5	33.75
352/652	11.30
359-C/659-C	10.10
359-H/659-H	11.50
369-L/670-L/870	3.60
633/4	33.90
633/4/5	34.10
635/9	12.50

Implementation and Administration

11. (a) Changes in the implementation and interpretation of this Agreement (such as changes in practices, rules, procedures, categorization, etc.) which have the effect of upsetting the balance of rights and obligations between the parties, or which affect the economic content of this Agreement, or which affect the ability of either party to use or benefit fully from this Agreement, or which result in any disruption to trade shall normally be avoided. The party initiating the relevant change shall endeavor to consult prior to the time that such action may affect trade between Taiwan and the United States of America with a view toward making appropriate adjustments to this Agreement. Should consultation prior to implementation not be feasible, both parties agree to consult at the request of either party at the soonest possible date, with a view toward reaching a mutually satisfactory solution within 30 days of the request.
- (b) 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.
- (c) Exports from Taiwan in excess of authorized limits in any agreement year may be denied entry into the United States of America. Any such shipments denied entry may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement year.
- (d) Exports from Taiwan in excess of authorized limits in any agreement year will, if allowed entry into the United States of America during that agreement year, be charged to the applicable limit in the succeeding Agreement year.
- (e) AIT will notify TECRO as soon as possible of the amount of charges involved pursuant to sub-paragraph 11(d).

(1) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

#### Visa System

12. The visa and certification system established by letters dated April 18, 1991, and May 1, 1991, will remain in force subject to paragraph 11(b).

#### Exchange of Information

13. (a) The two parties recognize that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical questions. AIT shall promptly supply TECRO with data on monthly imports of cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products from Taiwan. TECRO shall promptly supply AIT with pertinent data on anticipated exports in categories not subject to specific limits and data on monthly exports of cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products to the United States.

(b) Each party agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other party.

(c) AIT and TECRO agree to supply to the other party information within its possession reasonably believed to be necessary to the enforcement of this Agreement.

#### Spacing

14. TECRO shall use its best efforts to space exports from Taiwan to the United States of America within each category or sub-category (or combination of categories) evenly throughout each agreement year, taking into consideration normal seasonal factors.

#### Equity of the Agreement on Textiles and Clothing

15. If, having regard to the provisions of the World Trade Organization's Agreement on Textiles and Clothing (ATC), TECRO considers that Taiwan is being placed in an inequitable position vis-a-vis a third party (including in relation to any matter concerning coverage under this Agreement), TECRO may request consultations with AIT with a view to taking appropriate remedial action. AIT shall consult with TECRO in the event of such a request.

Termination

16. This Agreement may be terminated either by mutual consent of the two parties at any time, or by either party, effective at the end of an agreement year, upon written notice to the other party to be given at least 180 days prior to the end of such agreement year.

Rights

17. For the duration of this Agreement, AIT shall not invoke procedures similar to that of Article 6 of the ATC to request restraint on the export of cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products from Taiwan to the United States of America. AIT and TECRO reserve their rights to request consultations with respect to textiles and textile products not subject to this Agreement.

Cooperation in the Prevention of Circumvention

18. (a) AIT and TECRO 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 such as by transshipment, rerouting, false declaration concerning country of origin, or falsification of official documents.

(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 plant visits and contacts by representatives of either party, upon request and on a case-by-case basis. When either party wishes to visit certain plants, the party seeking the plant visit or visits shall give written notice, including the reasons for such visits, to the other party one week in advance stating the number of plants it intends to visit and the proposed dates of the visits. The firms to be visited shall not be informed in advance of the visit. When the visit occurs, permission from a responsible representative of the plant shall be obtained at the time of each visit. If permission is denied, the visit will not go forward. Such visits will

be conducted by authorized personnel of both parties in accordance with domestic laws and procedures. Upon completion of such visits, the visiting party shall brief appropriate authorities of the other party on the results of such plant visits.

(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 accompanied by an explanation and concluding within 90 days, unless extended by mutual agreement, and to cooperate fully in terms of the elements set out in sub-paragraph (b) above.

(d) Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under sub-paragraph (c), TECRO and AIT agree that in cases where clear evidence regarding circumvention has been provided, AIT may deduct from the quantitative limits for that agreement year amounts at least equivalent to the amount of transshipped products of Taiwan origin. In addition, TECRO and AIT agree that deductions from the quantitative limits established under this agreement may be made in those instances in which: i) AIT has provided factual information demonstrating a substantial likelihood that circumvention has occurred, and ii) AIT has requested from TECRO cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by TECRO, and iii) TECRO has not provided such information or cooperation without adequate reason within the period for consultation outlined in sub-paragraph (c). If, after deductions have been made, evidence is developed that clearly establishes that the deductions were in error because the goods in question were in fact not of Taiwan origin, and there is clear evidence demonstrating the true country of origin, then AIT shall restore Taiwan's quantitative restraints equivalent to the amount deducted under this provision immediately after the authorities represented by AIT charge the goods to the true country of origin.

(e) Should AIT choose to exercise its rights under sub-paragraph (d) to deduct an amount or amounts from the quantitative limits of a country where more than two instances of circumvention have been demonstrated within the current or immediately preceding agreement year, and AIT possesses clear evidence, then, beginning with the

third instance, AIT 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 clear evidence showing that goods originating in another country have been shipped through Taiwan to the United States as though they were products of Taiwan, then TECRO and AIT 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 Taiwan. 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. Such consultations should be held promptly, beginning within 30 days of a written request by a party accompanied by an explanation and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then TECRO and AIT agree that in cases where clear evidence regarding circumvention has been provided, 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 year an amount equivalent to the amount of product transshipped through Taiwan. As soon as TECRO has sufficiently established to AIT that the goods in question have not been transshipped through the territory represented by TECRO, then i) AIT shall immediately remove any restraint imposed pursuant to this provision, or ii) AIT shall immediately restore Taiwan's quantitative restraints in an amount equivalent to the amount deducted pursuant to this provision, after the authorities represented by AIT have charged the goods to the true country of origin. No deductions to Taiwan's quantitative limits will apply to each particular instance of circumvention if TECRO has provided AIT with clear evidence or intelligence of circumvention sufficient to allow AIT to deny entry to the particular circumventing goods prior to their entry into the customs territory represented by AIT. In such instances, the parties agree that the preferred course would be for TECRO to inform AIT that any visa issued on such shipment is invalid.

(g) AIT notes that some cases of circumvention may involve shipments transitting through the territory represented by TECRO with no changes or alterations made to the goods contained in such shipments in the territory represented by

TECRO. AIT also notes that it may not be practically practicable for TECRO to exercise control over such shipments.

(h) Parties agree that false declaration concerning fiber 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 accompanied by an explanation and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then TECRO and AIT agree that in cases where clear evidence regarding such false declarations has been provided, AIT 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.

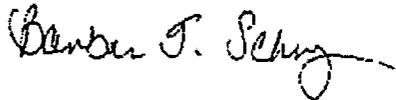
(i) Any action taken under this paragraph shall be notified to the Textiles Monitoring Body after the territory represented by TECRO joins the World Trade Organization.

#### Other Consultation Provisions

19. In addition to the consultation provisions elsewhere in this Agreement, TECRO and AIT agree to consult, at the request of either party, on any question arising in the application of this Agreement.

This letter and your reply confirming the contents thereof on behalf of TECRO will constitute an Agreement between AIT and TECRO governing trade in cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products between Taiwan and the United States of America, which shall enter into force on the date of your reply with effect from January 1, 1996.

Sincerely,

A handwritten signature in cursive script, reading "Barbara J. Schrage". The signature is written in dark ink and includes a long, sweeping horizontal flourish at the end.

Barbara J. Schrage  
Acting Managing Director

## ANNEX A

CATEGORY		1996 BASE LEVEL	GROWTH RATE	1997 BASE LEVEL
GROUP I	sme	561,758,816	1.0%	567,376,404
SUBGROUP I	sme	135,210,756		138,884,795
200	kgs	649,926	2.5%	666,174
219	sme	14,791,664	2.5%	15,161,456
313	sme	64,691,319	1.0%	65,338,232
314	sme	26,347,876	2.5%	27,006,573
315	sme	20,189,186	2.5%	20,693,916
361	nos	1,305,558	2.5%	1,338,197
369-S	kgs	477,967	0.5%	480,357
604	kgs	218,873	1.5%	222,156
218	sme	20,114,129	2.5%	20,616,992
225/317/326	sme	35,702,525	2.5%	36,595,088
226	sme	6,478,868	2.5%	6,640,840
300/301/607	kgs	1,640,166	1.5%	1,664,768
300	kgs	1,366,804	1.5%	1,387,306
301	kgs	1,366,804	1.5%	1,387,306
607	kgs	1,366,804	1.5%	1,387,306
363	nos	11,965,746	0.5%	12,025,574
369-L/670-L/870	kgs	46,172,659	2.0%	47,096,112
611	sme	2,899,234	2.5%	2,971,715
613/4/5/7	sme	17,980,761	2.5%	18,430,280
619/20	sme	13,216,138	2.5%	13,546,541
625/6/7/8/9	sme	17,197,317	2.5%	17,627,250
669-P	kgs	312,641	2.5%	320,457
669-T	kgs	1,016,150	2.5%	1,041,554
670-H	kgs	17,680,750	2.0%	18,034,365

CATEGORY		1996 BASE LEVEL	GROWTH RATE	1997 BASE LEVEL
GROUP II	sme	755,000,000	0.0%	755,000,000
SUBGROUP II	sme	74,639,669		75,332,954
333/415	doz	278,326	2.5%	285,284
335	doz	150,760	2.5%	154,529
341	doz	334,872	0.5%	336,546
342	doz	209,195	0.5%	210,242
350/650	doz	132,691	1.0%	134,018
351	doz	348,033	0.5%	349,773
447/8	doz	20,212	1.0%	20,414
636	doz	372,235	1.0%	375,958
641	doz	728,891	0.1%	729,620
641-Y	doz	255,112	0.1%	255,367
651	doz	436,458	0.5%	438,540
237	doz	634,985	2.5%	650,860
239	kgs	5,467,216	1.5%	5,549,224
331	dpr	502,181	0.5%	504,692
336	doz	108,183	2.5%	110,888
338/9	doz	750,244	1.5%	771,648
340	doz	1,116,675	0.1%	1,117,793
345	doz	113,039	2.5%	115,855
347/8	doz	1,064,931	0.0%	1,064,931
347-W/348-W	doz	1,064,931	0.0%	1,064,931
352/652	doz	2,870,220	2.5%	2,941,975
359-H/659-H	kgs	4,747,826	0.5%	4,771,555
359-C/659-C	kgs	1,447,633	0.0%	1,447,633
433	doz	14,792	1.0%	14,940
434	doz	10,271	1.0%	10,374
435	doz	24,389	1.0%	24,633

CATEGORY	UNIT	1996 BASE LEVEL	GROWTH RATE	1997 BASE LEVEL
436	doz	4.855	1.0%	4.904
438	doz	27.409	1.0%	27.663
440	doz	5.309	1.0%	5.362
442	doz	43.607	0.1%	43.651
443	nos	41.414	1.0%	41.826
444	nos	58.981	1.0%	59.571
445/6	doz	134.077	0.5%	134.747
631	dpr	4,678.788	2.0%	4,772.364
633/4/5	doz	1,634.440	0.0%	1,634.440
633/4	doz	959.317	0.0%	959.317
635	doz	850.077	0.0%	850.077
638/9	doz	6,565.058	0.0%	6,565.058
640	doz	1,058.909	0.0%	1,058.909
640-Y	doz	281.710	0.0%	281.710
642	doz	777.133	0.0%	777.133
643	nos	492.845	1.0%	497.773
644	nos	688.863	2.5%	706.085
645/6	doz	4,107.691	0.0%	4,107.691
647/8	doz	5,248.544	0.0%	5,248.544
647-W/648-W	doz	5,248.544	0.0%	5,248.544
659-S	kgs	1,501.702	0.0%	1,501.702
835	doz	18.103	2.5%	18.556
GROUP III	sme			
845	doz	849.513	0.1%	850.363

Appendix B

Categories numbered in the:

200 series are of cotton and/or man-made fiber,  
 300 series are of cotton,  
 400 series are of wool,  
 600 series are of man-made fiber, and  
 800 series of silk blend and/or other non-cotton  
 vegetable fibers.

Category	Description	Conversion Factor to Square Meters	Unit
<u>Yarn</u>			
200	Yarns put up for retail sale & sewing thread	6.6	Kg
201	Specialty yarns	6.5	Kg
300	Carded cotton, yarns	6.5	Kg
301	Combed cotton, yarns	6.5	Kg
400	Wool yarn	3.7	Kg
600	Textured filament yarns, MMF	6.5	Kg
603	Yarn containing 85 percent or more by weight artificial staple fiber	6.3	Kg
604	Yarn containing 85 percent or more by weight synthetic staple fiber	7.6	Kg
606	Non-textured filament yarns, MMF	20.1	Kg
607	Other staple fiber yarn, MMF	6.5	Kg
800	Silk blends & non-cotton vegetable fiber yarns	6.5	Kg
<u>Fabric</u>			
218	Of yarns of different colors	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 fabric	14.0	Kg
224	Pile & tufted fabric	1.0	M2
225	Blue denim	1.0	M2
226	Cheesecloth, batistes, lawns, or voiles	1.0	M2
227	Oxford cloth	1.0	M2
229	Special purpose fabric	13.6	Kg
313	Sheeting	1.0	M2

Annex B

314	Poplin & broadcloth	1.0	M2
315	Printcloth	1.0	M2
317	Twills	1.0	M2
326	Sateens	1.0	M2
410	Woven wool fabrics	1.0	M2
414	Other wool fabrics	2.6	Kg
611	Woven fabric containing 85 percent or more by weight artificial staple	1.0	M2
613	Sheeting	1.0	M2
614	Poplin & broadcloth	1.0	M2
615	Printcloth	1.0	M2
617	Twills & sateens	1.0	M2
618	Woven artificial filament fabric	1.0	M2
619	Polyester filament fabric, weighing not more than 170 grams per square meter	1.0	M2
620	Other synthetic filament fabric	1.0	M2
621	Impression fabric	14.4	Kg
622	Glass fiber fabric.	1.0	M2
624	Woven man-made fiber fabric, containing more than 15 percent but less than 36 percent wool	1.0	M2
<u>Staple/filament combination:</u>			
625	Poplin & broadcloth	1.0	M2
626	Printcloth	1.0	M2
627	Sheeting	1.0	M2
628	Twills & sateens	1.0	M2
629	Other MMF	1.0	M2
810	Woven fabric of silk blends or non-cotton vegetable fiber	1.0	M2
<u>Apparel</u>			
237	Playsuits, sunsuits, etc.	19.2	Doz
239	Infants' wear	6.3	Kg
330	Handkerchiefs	1.4	Doz
331	Gloves & mittens	2.9	Dpr

Annex B

332	Hosiery	2.8	Doz
333	M & B suit-type coats	30.3	Doz
334	Other M & B coats	34.5	Doz
335	W & G coats	34.5	Doz
336	Dresses	37.9	Doz
338	M & B knit shirts	6.0	Doz
339	W & G knit shirts & blouses	6.0	Doz
340	M & B shirts, not knit	20.1	Doz
341	W & G shirts & blouses, not knit	12.1	Doz
342	Skirts	14.9	Doz
345	Sweaters	20.8	Doz
347	M & B trousers, slacks, & shorts	14.9	Doz
348	W & G trousers, slacks, & shorts	14.9	Doz
349	Brassieres & other body- supporting garments	4.0	Doz
350	Dressing gowns, robes, etc.	42.6	Doz
351	Nightwear & pajamas	43.5	Doz
352	Underwear	9.2	Doz
353	M & B down-filled coats	34.5	Doz
354	W & G down-filled coats	34.5	Doz
359	Other cotton apparel	8.5	Kg
431	Gloves & mittens	2.8	Doz
432	Hosiery	2.3	Doz
433	M & B suit-type coats	30.1	Doz
434	Other M & B coats	45.1	Doz
435	W & G coats	45.1	Doz
436	Dresses	41.1	Doz
438	Knit shirts & blouses	12.5	Doz
439	Infants' wear	6.3	Kg
440	Shirts & blouses, not knit	20.1	Doz
442	Skirts	15.0	Doz
443	M & B suits	3.76	Nos
444	W & G suits	3.76	Nos
445	M & B sweaters	12.4	Doz
446	W & G sweaters	12.4	Doz
447	M & B trousers, slacks & shorts	15.0	Doz
448	W & G trousers, slacks & shorts	15.0	Doz
459	Other wool apparel	3.7	Kg
630	Handkerchiefs	1.4	Doz
631	Gloves & mittens	2.9	Doz
632	Hosiery	3.8	Doz

## Annex B

633	M & B suit-type coats	30.3	Doz
634	Other M & B coats	34.5	Doz
635	W & G coats	34.5	Doz
636	Dresses	37.9	Doz
638	M & B knit shirts	15.0	Doz
639	W & G knit shirts & blouses	12.5	Doz
640	M & B shirts, not knit	20.1	Doz
641	W & G shirts & blouses, not knit	12.1	Doz
642	Skirts	14.9	Doz
643	M & B suits	3.76	Nos
644	W & G suits	3.76	Nos
645	M & B sweaters	30.8	Doz
646	W & G sweaters	30.8	Doz
647	M & B trousers, slacks, & shorts	14.9	Doz
648	W & G trousers, slacks, & shorts	14.9	Doz
649	Brassieres & body supporting garments	4.0	Doz
650	Dressing gowns, robes, etc.	42.6	Doz
651	Nightwear & pajamas	43.5	Doz
652	Underwear	12.3	Doz
653	M & B down-filled coats	34.5	Doz
654	W & G down-filled coats	34.5	Doz
659	Other MMF apparel	14.4	Kg
831	Gloves & mittens	2.9	Dpr
832	Hosiery	3.8	Dpr
833	M & B suit-type coats	30.3	Doz
834	Other M & B coats & jackets	34.5	Doz
835	W & G coats & jackets	34.5	Doz
836	Dresses	37.9	Doz
838	Knit shirts, blouses & tops	11.7	Doz
839	Infants' wear	6.3	Kg
840	Not knit shirts & blouses	16.7	Doz
842	Skirts	14.9	Doz
843	M & B suits	3.76	Nos
844	W & G suits	3.76	Nos
845	Sweaters of non-cotton vegetable fibers	30.8	Doz
846	Sweaters of silk blend	30.8	Doz
847	Trousers, shorts	14.9	Doz
850	Dressing gowns & robes, etc.	42.6	Doz
851	Nightwear & pajamas	43.5	Doz
852	Underwear	12.3	Doz
858	Neckwear	6.6	Kg
859	Other apparel	12.5	Kg

## Annex B

Made-Up & Miscellaneous Textiles

360	Pillowcases	0.9	Nos
361	Sheets	5.2	Nos
362	Bedsread & quilts	5.8	Nos
363	Terry & other pile towels	0.4	Nos
369	Other cotton manufactures	8.5	Kg
464	Blankets	2.4	Kg
465	Floor Coverings	1.0	Kg
469	Other wool manufactures	3.7	Kg
665	Floor coverings	1.0	Kg
666	Other MMP furnishings	14.4	Kg
669	Other man-made fiber manufactures	14.4	Kg
670	Flat goods, handbags, luggage	3.7	Kg
863	Towels	0.4	Nos
870	Luggage	3.7	Kg
871	Handbags & Flatgoods	3.7	Kg
899	Other silk and non-cotton vegetable fiber manufacturers	11.1	Kg

ANNEX C

EXEMPT PRODUCTS REQUIRING EXEMPT CERTIFICATION

1. Pincushions
2. Embroideries (needle work), of man-made fibers with designs embroidered with wool thread.
3. Handmade carpets, i.e. in which the pile was inserted or knotted by hand.
4. Christmas or Easter ornaments having a non-textile core or a non-textile structural frame and man-made fiber textile covering.
5. Martial Arts uniforms, such as Kung Fu, Karate, and Judo uniforms.
6. Toy (novelty) animals, birds or insects with a plastic, wire or other non-textile core that are covered or decorated with textile thread or fiber.
7. Traditional Chinese caps
8. Traditional Chinese garments

Jackets - three-quarter length or shorter, of woven fabrics, usually with Chinese figures in the weave, but may be plain/woven otherwise figured or printed. They have a low Mandarin collar, long sleeves and full frontal openings, with "frog" type closures (looped fastenings made of braid, cording, etc., used with a matching knot or toggle of the same material.

Fur or imitation fur-lined jackets which may or may not be reversible and are otherwise identical in appearance and construction with the jackets described above.

Vests - sleeveless garments extending from the neck area to waist with or without pockets at the waist. They are otherwise identical in appearance and construction with the jackets described above.

Drafted: EB/TPP/ATT/TPA:MCYOUTH  
12/4/95 doc SETEXTIL100096 273000

Cleared: EAP:ARothman  
AIT/W:RSanders  
Commerce:JAldrich  
Labor:AValdes  
USTR:CMiller  
CUSTOMS: MVIDELock

Approved: EB/TPP/ATT/TPA:JPitts

6 December 1995

REVISIONS TO THE JUNE 1993 AGREEMENT

Changes made in text:

1. Throughout text, TECRO replaces CCNAA where appropriate.
2. Text of letter to Benjamin Lu has been updated to reference the latest exchange of letters and to refer to the current discussions. Address updated.
3. In paragraph 1, "amends and extends" replaces "supersedes". Paragraph 1 has been updated to reference the latest exchange of letters.
4. In paragraph 2, the term of agreement has been updated and now reads: January 1, 1996 to December 31, 1997.
5. In sub-paragraph 4(a)(ii), the limits on Sub-Group I categories have been updated to read as follows:

1996	1997
-----	-----
136,210,756	136,884,795

6. In sub-paragraph 4(a)(ii), the phrase referring to Sub-Group I:  
"While the sub-group limit has no carryover in 1992 and no carryforward in 1995...",  
has been replaced with:  
"While the sub-group limit has no carryforward in 1997..."
7. In sub-paragraph 4(a)(iii), the limits on Sub-Group II categories have been updated to read as follows:

1996	1997
-----	-----
74,639,669	75,332,954

8. In sub-paragraph 4(a)(iii), the phrase referring to Sub-Group II:  
"While the sub-group limit has no carryover in 1992 and no carryforward in 1995...",  
has been replaced with:  
"While the sub-group limit has no carryforward in 1997..."
9. In sub-paragraph 5(e)(xi) 1993-1995 has been replaced with 1996-1997.

10. All of sub-paragraphs 4(c)(vi) and 4(d)(i-ii) have been deleted.
11. In sub-paragraph 5(a), the growth for Group I, "three percent until 1992, five percent beginning in 1992" has been replaced with: "five percent".
12. Sub-paragraphs 5(c)(1), 5(c)(1)(i-viii), 5(c)(2) and 5(c)(2)(i-ix) have been deleted, however sub-paragraph 5(c) remains.
13. Sub-paragraph 5(c)(3) has been deleted, however sub-paragraphs 5(c)(3)(i-vii) remain and have been renumbered to 5(c)(i-vii).
14. Sub-paragraph 5(e)(viii) has been revised to delete the last three sentences.
15. Sub-paragraph 5(e)(x) has been updated to read as follows:

(x) The specific limit on the categories listed in the left-hand column below may be increased by the quantities stated in the center columns in the agreement years indicated, provided that during the same agreement year an equivalent quantity is deducted from the corresponding upper- and lower-garment categories listed in the right-hand column:

<u>Category</u>	<u>1996 Quantity (in nos)</u>	<u>1997 Quantity (in nos)</u>	<u>Component Garment Categories</u>
443	10,602	10,708	433 and 447/8
444	137,032	138,402	435 and 442 or 447/8
643	110,851	111,960	633 and 647/8
644	1,812,299	1,857,606	635 and 642 or 647/8

16. Sub-paragraphs 6(e)(i-ix) have been deleted.
17. Sub-paragraphs 15(b) and 15(c) have been deleted. Sub-paragraph 15(a) is now paragraph 15. References to the MFA in paragraphs 15 and 17 have been revised to refer to the ATC.
18. Paragraph 18 (Other Consultation Provisions) has been moved to paragraph 19.
19. Paragraph 19 of the June 1993 agreement (Cooperation in the Prevention of Circumvention) is to be updated to include agreed upon anti-circumvention language. This paragraph has been moved to paragraph 18.
20. Annex A-2 has been deleted and all references to Annex A-1 have been changed to Annex A.

駐美國台北經濟文化代表處  
Taipei Economic and Cultural Representative Office  
in the United States

4201 Wisconsin Avenue, N.W., Washington, D.C. 20016  
Tel: (202) 895-1800

EC-97-025

May 2, 1997

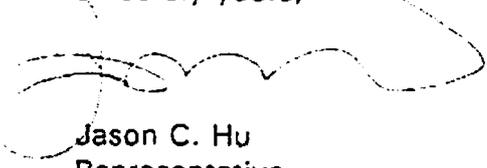
Ms. Barbara Jane Schrage  
Managing Director ad interim  
American Institute in Taiwan  
1700 N. Moore Street, #1700  
Arlington, VA 22209

Dear Ms. Schrage:

I refer to your letter of January 10, 1997 proposing a new textile agreement between AIT and TECRO. The agreement will renew the previous agreement effected by exchange of letters on June 4 and June 24, 1993 which governs trade in cotton, wool, man-made fiber, silk blend and other non-cotton vegetable fiber textile products between our two sides.

On behalf of TECRO, I accept your proposal and agree to implement the contents of the proposal in governing the above-mentioned trade of textile. Your letter and this letter of reply shall constitute an agreement between AIT and TECRO for the period from January 1, 1996 through December 31, 1997.

Sincerely yours,



Jason C. Hu  
Representative

JCH:ch