

法規名稱：(終)AGREEMENT BETWEEN THE TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE AND THE AMERICAN INSTITUTE IN TAIWAN CONCERNING TRADE IN TEXTILE AND APPAREL PRODUCTS (AD.1997.12.10)

終止日期：民國 89 年 12 月 31 日

December 10, 1997

Mr. Stephen S.F. Chen

Representative

Taipei Economic and Cultural Representative Office

4201 Wisconsin Avenue, NW

Washington, D.C. 20016

Dear Mr. Chen:

I refer to the Agreement between American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO) 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 January 10 and May 2, 1997 ("The Agreement").

I propose that TECRO and AIT amend and extend the Agreement for three years. The proposed Agreement is attached with this letter .

If the proposal contained in this letter is acceptable to TECRO, then 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 and become effective on January 1, 1998.

Sincerely

[Signed]

Richard C. Bush

Chairman of the Board

And Managing Director

Attached:TECRO-AIT Agreement Concerning  
Trade in Textile and Apparel Products

December 10,1997

Mr. Richard C. Bush  
Chairman of the Board and Managing Director  
American Institute in Taiwan  
1700 N. Moore Street, Suite 1700  
Arlington, VA 22209

Dear Mr. Bush:

I have the honor to refer to your letter of December 10, 1997, which states:

" Dear Mr. Chen:

I refer to the Agreement between American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO) 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 January 10 and May 2, 1997 (" The Agreement" ).

I propose that TECRO and AIT amend and extend the Agreement for three years. The proposed Agreement is attached with this letter.

If the proposal contained in this letter is acceptable to TECRO, then 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 and become effective on January 1, 1998.

Sincerely,  
Richard Bush

Chairman of the Board  
and Managing Director

Attached: TECRO-AIT Agreement Concerning Trade in Textile and Apparel Products”

In reply, I have the honor to accept, on behalf of TECRO, the proposed Agreement attached to your letter and to confirm that the aforesaid letter and this reply shall constitute an Agreement between TECRO and AIT, effective on January 1, 1998.

Sincerely,

[Signed]

Stephen S. F. Chen

Representative

Agreement Between The Taipei Economic and Cultural Representative Office and The American Institute in Taiwan Concerning Trade in Textile and Apparel Products

Term

1.

(a) The term of this Agreement shall be from January 1, 1998, through December 31, 2000, except as provided in paragraph 16

.

(b) An "agreement year" shall be a calendar year commencing on January 1 and ending December 31.

Continuation of Provisions Upon WTO Membership

2.If before the end of the three-year term of this agreement, Chinese Taipei becomes a member of the World Trade Organization (WTO) and the United States applies the Agreement Establishing the WTO (WTO Agreement) to Chinese Taipei, then the arrangements in this Agreement establishing quotas and the provisions set out in paragraphs 3,4,5,6,8,9,10,11,12,13,14,18 and 19 will be directly relevant to the ability of TECRO and AIT to implement the WTO Agreement and the Uruguay Round Agreement on Textiles and Clothing. Therefore, upon membership of Chinese Taipei to the WTO and application of the WTO Agreement by the United States to Chinese Taipei, these provisions will remain

in force, will be incorporated into the Uruguay Round Agreement on Textiles and Clothing, and will be notified to the Textiles Monitoring Body. This stipulation will also be incorporated into the working party report on Chinese Taipei's accession to the WTO.

#### 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, 326, 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, 870).
- (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, 831, 832, 833, 834, 835, 836, 838, 839, 840, 842, 843, 844, 846, 847, 850, 851, 852, 858, 859).
- (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 800, 810, 863,871 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 hereto, as such limits 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:

1998	1999	2000
<hr/>	<hr/>	<hr/>
141,614,645	144,401,603	147,246,983

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 2000, 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 :

1998	1999	2000
<hr/>	<hr/>	<hr/>
76,035,766	76,748,231	77,470,514

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 2000, 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 percentprovided 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, 633/4, 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/870,433,434,436,438,440,442,443,444,445/6,447/8,638/9,641,641-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 cat-





egory 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:

	1998	1999	2000	Component Garment
Category	Quantity	Quantity	Quantity	Categories
	(in nos)	(in nos)	(In nos)	
443	10,815	10,923	11,032	433 and 447/8
444	139,786	141,184	142,596	435 and 442 or 447/8
643	113,080	114,211	115,353	633 and 647/8
644	1,904,046	1,951,647	2,000,438	635 and 642 or 647/8

- (xi) For the 1998, 1999 and 2000 quota years the following applies:

Category	Special Flexibility	1998	1999	2000	Units
347/348	Additional Special Shift from 647/648	60,000	60,000	60,000	dz.
	Additional Swing	165,750	165,750	165,750	dz.
347-w/3 48-w	Special Shift from 647-W/648-W or 647/648	15%	15%	15%	dz.
647/648	Additional Swing	60,750	60,750	60,750	dz.

Carryforward and Carryover

- (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 years'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 Multi Fiber 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(e) 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 for 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 no-



ne 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).





- (d) 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.

Categories Merged	Designation in the Agreement	Sub-categories
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:

Categories	Designation in the Agreement	Description
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	Shoptowels
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:

Categories	Designation in the Agreement	Description
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:

Category	Conversion Factor
300/301/607	8.50
333/4/5	33.75
352/652	11.30
359-C/659-C	10.10
359-H/659-H	11.50
369-L/670-L/870	3.80
633/4	33.90
633/4/5	34.10
638/9	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).
- (f) 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 30, 1997, September 3, 1997, and September 23, 1997, 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 subcategory (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 subparagraph (b) above.
- (d) Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under subparagraph (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 m-



utual 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 generally 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 ta-



ke 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.

#### Annex A

Category	Growth Rate	1998 Base Limit	1999 Base Limit	2000 Base Limit
Group I*	sme 1.00%	573,050,168	578,780,670	584,568,477

Subgroup I	sme		141,614,645	144,401,603	147,246,983
200	kgs	2.50%	682,828	699,899	717,396
219	sme	2.50%	15,540,492	15,929,004	16,327,229
313	sme	1.00%	65,991,614	66,651,530	67,318,045
314	sme	2.50%	27,681,737	28,373,780	29,083,124
315	sme	2.50%	21,211,264	21,741,546	22,285,085
361	nos	2.50%	1,371,652	1,405,943	1,441,092
369-S	kgs	0.50%	482,759	485,173	487,599
604	kgs	1.50	225,488	228,870	232,303
218	sme	2.50%	21,132,407	21,660,717	22,202,235
225/317/326	sme	2.50%	37,509,965	38,447,714	39,408,907
226	sme	2.50%	6,806,861	6,977,033	7,151,459
300/301/607	kgs	1.50%	1,689,740	1,715,086	1,740,812
(300)	kgs	1.50%	1,408,116	1,429,238	1,450,677
(301)	kgs	1.50%	1,408,116	1,429,238	1,450,677
(607)	kgs	1.50%	1,408,116	1,429,238	1,450,677
363	nos	0.50%	12,085,702	12,146,131	12,206,862
369-L/670-L	kgs	2.00%	48,038,034	48,998,795	49,978,771
/870					
611	sme	2.50%	3,046,008	3,122,158	3,200,212
613/614/615	sme	2.50%	18,891,037	19,363,313	19,847,396
/617					
619/620	sme	2.50%	13,885,205	14,232,335	14,588,143
625/6/7/8/9	sme	2.50%	18,067,931	18,519,629	18,982,620
669-P	kgs	2.50%	328,468	336,680	345,097
669-T	kgs	2.50%	1,067,593	1,094,283	1,121,640
670-H	kgs	2.00%	18,395,052	18,762,953	19,138,212
Group II*	sme	0.00%	755,000,000	755,000,000	755,000,000
Subgroup II	sme		76,035,766	76,748,231	77,470,514
333/334/335	doz	2.50%	292,416	299,726	307,219
(335)	doz	2.50%	158,392	162,352	166,411
341	doz	0.50%	338,229	339,920	341,620

342	doz	0.50%	211,293	212,349	213,411
350/650	doz	1.00%	135,358	136,712	138,079
351	doz	0.50%	351,522	353,280	355,046
447/448	doz	1.00%	20,618	20,824	21,032
636	doz	1.00%	379,718	383,515	387,350
641	doz	0.10%	730,350	731,080	731,811
(641-Y)	doz	0.10%	255,622	255,878	256,134
651	doz	0.50%	440,833	443,037	445,252
237	doz	2.50%	667,132	683,810	700,905
239	KGS	1.50%	5,632,462	5,716,949	5,802,703
331	dpr	0.50%	507,215	509,751	512,300
336	doz	2.50%	113,660	116,502	119,415
338/339	doz	1.50%	783,223	794,971	806,896
340	doz	0.10%	1,118,911	1,120,030	1,121,150
345	doz	2.50%	118,762	121,731	124,774
347/348	doz	0.00%	1,064,931	1,064,931	1,064,931
(347-W/348-W)	doz	0.00%	1,064,931	1,064,931	1,064,931
352/652	doz	2.50%	3,015,525	3,090,913	3,168,186
359-H/659-H	kgs	0.50%	4,795,423	4,819,400	4,843,497
359-C/659-C	kgs	0.00%	1,447,633	1,447,633	1,447,633
433	doz	1.00%	15,089	15,240	15,392
434	doz	1.00%	10,478	10,583	10,689
435	doz	1.00%	24,879	25,128	25,379
436	doz	1.00%	4,953	5,003	5,053
438	doz	1.00%	27,960	28,240	28,522
440	doz	1.00%	5,416	5,470	5,525
442	doz	0.10%	43,695	43,739	43,783
443	nos	1.00%	42,246	42,668	43,095
444	nos	1.00%	60,167	60,769	61,377
445/446	doz	0.50%	135,421	136,098	136,778
631	dpr	2.00%	4,867,811	4,965,167	5,064,470
633/634/635	doz	0.00%	1,634,440	1,634,440	1,634,440
(633/634)	doz	0.00%	959,317	959,317	959,317
(635)	doz	0.00%	850,077	850,077	850,077



638/639	doz	0.00%	6,565,058	6,565,058	6,565,058
640	doz	0.00%	1,058,909	1,058,909	1,058,909
(640-Y)	doz	0.00%	281,710	281,710	281,710
642	doz	0.00%	777,133	777,133	777,133
643	nos	1.00%	502,751	507,779	512,857
644	nos	2.50%	723,737	741,830	760,376
645/646	doz	0.00%	4,107,691	4,107,691	4,107,691
647/648	doz	0.00%	5,248,544	5,248,544	5,248,544
(647-W/648-W)	doz	0.00%	5,248,544	5,248,544	5,248,544
659-S	kgs	0.00%	1,601,702	1,601,702	1,601,702
835	doz	2.50%	19,020	19,496	19,983
Group III*	sme				
845	doz	0.10%	851,213	852,064	852,916

#### Annex 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	Unit
		Square Meters	
Yarn			
200	Yarns put up for retail sale & sewing thread	6.6	Kg
201	Specialty yarns	6.5	Kg
300	Carded cotton, yarns	8.5	Kg
301	Combed cotton, yarns	8.5	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	8.5	Kg
Fabric			
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
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	2.8	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

Staple/filament combination:

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

Apparel

237	Playsuits, sunsuits, etc.	19.2	Doz
239	Infants* wear	6.3	Kg
330	Handkerchiefs	1.4	Doz
331	Gloves & mittens	2.9	Dpr
332	Hosiery	3.8	Dpr
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	30.8	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	1.8	Dpr
432	Hosiery	2.3	Dpr
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	Dpr
632	Hosiery	3.8	Dpr
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-supplorting garments	4.0	Doz
650	Dressing gowns, robes, etc	42.6	Doz
651	Nightwear & pajamas	43.5	Doz
652	Underwear	13.4	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	11.3	Doz
858	Neckwear	6.6	Kg
859	Other apparel	12.5	Kg

#### Made-Up & Miscellaneous Textiles

360	Pillowcases	0.9	Nos
361	Sheets	5.2	Nos
362	Bedspread & 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	M2
469	Other wool manufactures	3.7	Kg
665	Floor coverings	1.0	M2
666	Other MMF furnishings	14.4	