

PROCES-VERBAL

This document refers to the *procès-verbal* initialed on 15 July 1997 in Geneva by delegations representing the United States and the European Community and which concerned modifications to U.S. origin rules on certain textile products, applicable from 1 July 1996.

The United States and the European Community take note that the 1997 *procès-verbal* has not led to a rapid solution in this case and therefore agree to amend the 1997 *procès-verbal* with a view to achieving a mutually satisfactory resolution toward facilitating and developing trade in fabrics imported into the European Community at loom state to be dyed, printed, and further finished in the EC, and certain flat products resulting therefrom.

The agreed amendments are as follows:

1. The U.S. Administration will propose to Congress that it adopt the Bill in Annex 1 to this *procès-verbal*, which contains an amendment to the U.S. origin rules, set forth in 19 U.S.C. 3592. The U.S. Administration will make its best efforts to convince Congress of the desirability to adopt this Bill expeditiously, and the European Commission will make every effort to support this process.

2. The United States agrees that a single import visaed invoice/license can be used on multiple shipments of goods (provided that the original visaed invoice/licence is valid and its quantity is not exceeded) classified in the HTS headings and subheadings set forth in Annex 1, paragraph 2(C) as of cotton or consisting of fiber blends containing 16 percent or more by weight of cotton, or products of cotton classified in HTS headings 6302.21, 6302.51, 6302.91, 6303.91, 6304.92, or 9404.90.80. For the purpose of this paragraph, such goods must be made up in an EC Member State from fabric which is dyed and printed in a Member State and has undergone in a Member State two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.

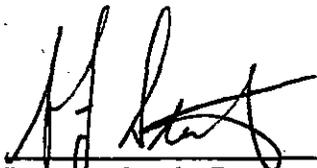
Both sides agree to consult on implementation of the terms set out in this *procès-verbal*.

The United States and the European Community agree that this amendment to the 1997 *procès-verbal* will be notified as a mutually agreed solution to the WTO. The European Community reserves the right to put the matter on the agenda of the Textiles Monitoring Body in the WTO in the event that the United States does not implement its commitments as contained in the *procès-verbal* within a reasonable amount of time.

Agreed, as of 16 August 1999.



 Representing the United States
 C. Donald Johnson, Jr.
 Ambassador
 Chief Textile Negotiator



 Representing the European Union
 Alistair J. Stewart
 Head of Unit
 European Commission

ANNEX 1: LEGISLATIVE TEXT

(2) Special rules

- (A) Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (B) and (C) below-
- (i) the origin of a good that is classified under one of the following HTS headings or subheadings shall be determined under subparagraph (A), (B), or (C) of paragraph (1) as appropriate: 5609, 5807, 5811, 6209.20.50.40, 6213, 6214, 6301, 6302, 6303, 6304, 6305, 6306, 6307.10, 6307.90, 6308, or 9404.90;
 - (ii) a textile or apparel product which is knit to shape shall be considered to originate in, and be the growth, product, or manufacture of the country, territory, or possession in which it is knit.
- (B) Notwithstanding paragraph (1)(C), fabric classified under the HTS as of silk, cotton, man-made fiber(s), or vegetable fiber(s) shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing, or moireing.
- (C) Notwithstanding paragraph (1)(C), goods classified in HTS headings 6117.10, 6213.00, 6214.00, 6302.22, 6302.29, 6302.52, 6302.53, 6302.59, 6302.92, 6302.93, 6302.99, 6303.92, 6303.99, 6304.19, 6304.93, 6304.99, 9404.90.85, or 9404.90.95, except for goods classified therein as of cotton or of wool or consisting of fiber blends containing 16 percent or more by weight of cotton, shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing, or moireing.