



**To:** USA-ITA Members  
**From:** Laura E. Jones  
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### **TEXTILE DEVELOPMENT MEMO**

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#### **U.S.-China Agreement Details**

USA-ITA has obtained additional details regarding the U.S.-China textile agreement signed in London early this morning. The full text of the agreement is expected to be made publicly available shortly.

#### *Release of goods from embargo*

The agreement indicates an intention to allow goods currently embargoed as a result of safeguards established this year to be released. In a press conference this morning, Special Textile Negotiator David Spooner stated that goods currently under embargo that are released this year will not be charged against any of the 2006 quota levels. However, the details of the release of goods from embargo are still being resolved. Moreover, and probably not surprisingly, socks embargoed as a result of the safeguard that began last year and expired October 28 will not be released. One U.S. Customs official indicated that the lifting of the embargo would not permit goods to be shipped now against the embargo; rather only goods actually already in bonded warehouses may benefit from the lifting of the embargoes.

#### *Exemption from quota for knit to shape fine gauge knits*

As noted earlier today, the agreement exempts from quota certain fine gauge knits. We understand that the definition of products under the exemption and the Harmonized Tariff Schedule subheadings under which they are classified are as follows:

<b>Category</b>	<b>HTS</b>	<b>Description</b>
338/339	Ex 6110.20.1025	Knit to shape on flat-bed knitting machines, having a stitch count exceeding 9 stitches per 2 centimeters, but less than or equal to 18 stitches per 2 centimeters, measured on the outer surface of the fabric, in the direction in which the stitches are formed. All of the components of the garment are knit-to-shape and all are looped and linked, including the side seam and pocket (if any).
	Ex 6110.20.1030	
	Ex 6110.20.2065	
	Ex 6110.20.2075	
	Ex 6110.20.9068	
	Ex 6110.20.9070	
	Ex 6110.30.2050	

638/639	Ex 6110.30.2060	
	Ex 6110.30.3050	
	Ex 6110.30.3055	
	Ex 6110.30.9076	
	Ex 6110.30.9078	

*2006 Quota Levels*

The following quota levels are scheduled to apply to goods exported from China on or after January 1, 2006:

Category	Unit	2006 Level
200/301	kg	7,529,582
222	kg	15,966,487
332/432/632pt (plus baby socks)	dp	68,645,472
Socks sublimit (minus HTS 6115.2090.10)	dp	65,405,092
338/339 pt	dz	20,822,111
340/640	dz	6,743,644
345/645/646	dz	8,179,211
347/348	dz	19,666,049
349/649	dz	22,785,906
352/652	dz	18,948,937
359S/659S	kg	4,590,626
363	no	103,316,873
666	kg	964,014
443	no	1,346,082
447	dz	215,004
619	m2	55,308,506
620	m2	80,197,248
622	m2	32,265,013
638/639 pt	dz	8,060,063
647/648 pt	dz	7,960,355
847	dz	17,647,255

*Flexibilities*

It does not appear that the agreement includes any provision allowing swing or shift among categories within each quota year. However, the agreement reportedly does include carryforward and carryover. Carryforward is limited to 3 percent and carryover is limited to 2 percent.

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