

MEMORANDUM OF UNDERSTANDING

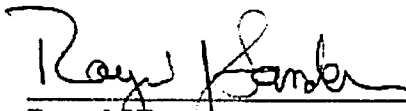
As a result of consultations between the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNAA) in Washington December 15-18, the two parties agreed to the following new quota arrangement for cotton and man-made fiber (mmf) trousers.

CATEGORY	Description/ Special flexibility	Limits in Dozens		
		1993	1994	1995
347/348	Cotton trousers, Slacks, shorts (outer)	1,072,919	1,064,931	1,064,931
	Additional Special Shift from 647/8	60,000	60,000	60,000
	Additional Swing	165,750	165,750	165,750
	Special Carryover	318,750		
347w/348w	Woven Cotton trousers, Slacks, shorts (outer)	1,072,919	1,064,931	1,064,931
647/648	MMF trousers, Slacks, shorts (outer)	5,248,544	5,248,544	5,248,544
	Special Carryover	112,500		
	Additional Swing	60,750	60,750	60,750
647w/648w	Woven MMF trousers, Slacks, shorts (outer)	5,248,544	5,248,544	5,248,544

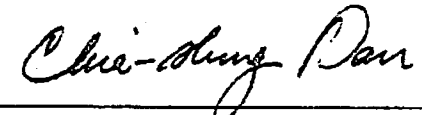
1. Special carryover, additional swing and special shift specified above shall be in addition to any carryover, swing and/or special shift specified in the exchange of letters dated December 1, 1992 and December 11, 1992. The "special carryover" specified above for categories 347/348 and 647/648 is additional to and is not included in the "total carryover" referred to in paragraph 6 (e) (vi) of the letters dated December 1, 1992 and December 11, 1992. In addition, Category 347w/348w may be increased by up to fifteen percent provided that an equivalent quantity is deducted from category 647/648 or 647w/648w in the same agreement year.

2. Any adjustments made may not result in the levels for the overall limits being less than the levels for the sublimits.

The provisions of this memorandum of understanding shall be applied upon signature until an agreement incorporating its terms is effected by an exchange of letters.



For AIT
Raymond J. Sander



For CCNAA
Chia Sheng Pan

Washington, December 18, 1992

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MEMORANDUM OF UNDERSTANDING

As a result of consultations between the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNAA) in Washington December 15-18, 1992, pursuant to paragraph 4 (c) (iv) of the exchange of letters dated December 1 and 11, 1992 (the "Letters"), the two parties agree to the following partial restoration of swing rates, growth rates and quota levels specified in the Letters.

1. The authorities represented by CCNAA agree to seriously consider and endeavor to implement the following five measures under the law of the territory represented by CCNAA to discourage illegal transshipments:

A. Take actions to increase the severity of penalties, including the possibility of criminal penalties, available to the public prosecutor's office for action involving unlawful transshipment.

B. Examine, in order to inform AIT, the possibility of strengthening Customs control at Taiwan ports to prevent switching of bills of lading in perpetration of fraudulent schemes to make textile products that originated elsewhere to appear as having originated in the territory represented by CCNAA.

C. Initiate more investigations on reasonable suspicion of illegal transshipment.

D. Offer rewards for information on illegally transshipped textiles.


E. Conduct more in-depth investigations for the purpose of uncovering accomplices and initiating prosecutions.

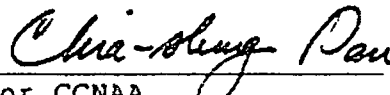
2. Restoration of base levels, swing rates and growth rates (where applicable), set forth in Schedule I hereto, shall only apply to the 1993 agreement year, effective January 1, 1993. Base levels, swing rates and growth rates for 1994-1995 shall remain, for the present, at the levels and rates specified in the Letters, unless agreed otherwise. Consultations to review the 1994 levels and rates are to be held before July 1993, and to review the 1995 levels and rates shall be held in mid-1994, pursuant to paragraph 4 (c) (iv) of the Letters.



3. The swing rate for category 640 for 1992 only shall be restored to 4 percent.

The provisions of this Memorandum of Understanding shall be applied upon signature until an agreement incorporating its terms is effected by an exchange of letters.


For AIT
Raymond J. Sander


For CCNAA
Chia Sheng Pan

Washington, December 18, 1992



Schedule I

For 1993, base levels and swing rates shall apply as follows:

Category	New 1993 Limit	Restored 1993 Swing
347/8	1,072,919	6.0%
347/8W	1,072,919	6.0%
359C/659C	1,458,273	7.0%
633/4/5	1,634,440	1.0%
633/4	959,317	1.0%
635	850,077	1.0%
638/9	6,578,589	5.0%
640	1,058,909	0.0%
640Y	500,000	0.0%
642	778,299	7.0%
659S	1,689,967	7.0%
645/6	4,138,498	0.0%

End.

JK