

June 12, 2006

Dear Member of Congress:

We commend U.S. trade officials for negotiating an agreement defining the terms of Vietnam's entry into the World Trade Organization (WTO). This agreement, if fully implemented, will create significant new opportunities for U.S. agriculture. Without Congressional action, however, U.S. farmers, ranchers, and food companies will not reap the trade gains negotiated by our trade officials. Accordingly, we urge you to provide Permanent Normal Trade Relations (PNTR) status to Vietnam.

In 2002, the last year in which Congress temporarily extended PNTR to Vietnam, there was a strong, bipartisan showing of support for U.S. – Vietnam trade with 338 Members of Congress voting for Normal Trade Relations. The stakes are now much higher. In order for U.S. agriculture to benefit from Vietnam's entry into the WTO, Congress must extend to Vietnam the same trade status we grant to all other WTO members.

The Vietnam agreement is an important victory for U.S. agriculture. Under the terms of the agreement, approximately three-fourths of U.S. agricultural exports to Vietnam will face bound duty rates of 15% or less. Products subject to these reduced tariffs include cotton, selected beef, pork, and variety meats, dairy products, grapes, apples and pears, and soybeans. Membership in the WTO will formalize Vietnam's acceptance of important WTO rules and disciplines, including those applying to import licensing, customs valuation, technical standards, and – of special importance to U.S. agriculture – sanitary and phytosanitary (SPS) measures and state trading activities. Vietnam is making numerous improvements to its implementation of WTO rules on SPS measures, including the establishment of a WTO-consistent enquiry point, and it has agreed to recognize the U.S. inspection systems for U.S. agricultural products as equivalent to its own. Finally, the U.S. will have recourse to WTO dispute settlement mechanisms should Vietnam not live up to any of its obligations, an avenue of recourse we currently do not have.

The agreement will play an important role in our ongoing efforts to expand U.S. agricultural exports to Asia. Since China acceded to the WTO at the end of 2001, U.S. agricultural exports to that market have grown from \$1.9 billion to \$5.2 billion in 2005 – an increase of 174%. We believe a growth rate of that magnitude in our exports to Vietnam is likely as a result of this agreement.

Through the WTO accession process, the United States will gain significant new access to Vietnam's growing market, while Vietnam will gain no greater access to the U.S. market, making it an undeniable win for American agriculture. We therefore strongly support WTO membership for Vietnam and urge you to support extending Permanent Normal Trading Relations (PNTR) status to that country as a necessary step in the membership process.

Sincerely,

Altria Group, Inc.
American Frozen Food Institute
American Meat Institute
American Potato Trade Alliance
American Soybean Association
Bunge North America, Inc.
Corn Refiners Association
Distilled Spirits Council of the United States
Elanco Animal Health
Food Products Association
Grocery Manufacturers Association
Louis Dreyfus Corporation
National Cattlemen's Beef Association
National Chicken Council
National Corn Growers Association
National Grain Trade Council
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Turkey Federation
North American Equipment Dealers Association
North American Export Grain Association
Northwest Horticultural Council
Pet Food Institute
Sunkist Growers
U.S. Apple Association
U.S. Dairy Export Council
US Hides, Skin and Leather Association
USA Dry Pea and Lentil Council
USA Poultry & Egg Export Council
Wheat Export Trade Education Committee