



# CALIFORNIA CHAMBER of COMMERCE

July 13, 2006

The Honorable Dianne Feinstein  
Senator  
United States Senate  
331 Hart Senate Office Bldg.  
Washington, DC 20510

**Re: H.R. 5602 - Permanent Normal Trade Relations with Vietnam**

Dear Senator Feinstein:

The California Chamber of Commerce urges you to approve **H.R. 5602**, granting **Permanent Normal Trade Relations (PNTR) status to Vietnam**, which will result in the United States sharing the economic benefits of Vietnam's upcoming accession to the World Trade Organization (WTO).

The California Chamber of Commerce is a broad-based nonprofit membership organization through which business, industry and agriculture join forces to work toward positive action on key issues that affect California's economic climate.

The organization, established in 1890, is the largest and most broadly based employer representative in Sacramento. Its members include 15,000 firms of all kinds and sizes, representing three million jobs--one quarter of the state's private sector workforce, as well as 450 affiliated local chambers of commerce and 200 trade associations. Through its grassroots action program, the California Chamber reaches out to a statewide network of approximately 430,000 small business owners.

The California Chamber supports expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business.

As you know, the United States and Vietnam concluded bilateral negotiations on Vietnam's accession to the WTO on May 14, 2006, and officially signed the agreement on May 31. This follows the historic US-Vietnam Trade Agreement signed in 2001, which began the process of increased trade and investment flows between the two nations. Supporting PNTR will continue to open the door to Vietnam's marketplace of 83 million people, the 13<sup>th</sup> largest population in the world.

As you consider this important decision, bear in mind its impact on California:

- PNTR will further cut Vietnamese tariffs on California's top exports to the nation: transportation equipment, machinery, computers and electronic products.
- Vietnam's WTO commitments on agriculture will include an elimination of domestic subsidies for many agricultural crops, creating tremendous potential for California grown products.
- As one of the nation's top exporters, California's international related commerce accounts for approximately one quarter of the state's economy. Without PNTR, the US will be the only WTO member country that will not have access to new market openings for goods and services.

The United States is the home of more than 900,000 people of Vietnamese origin, more than half of whom reside in California. Outside Vietnam, Orange County has the largest Vietnamese community, with approximately 100,000 people of Vietnamese descent. The U.S. and Vietnam have trade flows of nearly \$7.8 billion. U.S. exports to Vietnam totaled \$1.19 billion in 2005, led by sales of aircraft and industrial machinery, including electric power turbines. In 2005, California exports to Vietnam jumped from \$152 million to over \$530 million, largely due to a significant increase in exports of transportation equipment.

Granting PNTR status to Vietnam will show that the US intends to remain heavily engaged in Asia for a long time to come in business, economics, security and international politics. It will benefit those of us in California and the United States as a whole, and we thank you for your consideration of this important piece of legislation.

In addition to the economic benefits, there are security benefits from further normalizing relations with Vietnam that should not be overlooked. Vietnam has greatly enhanced its efforts on issues of importance to the US in the past decade, including joint POW/MIA efforts, immigration goals, continued progress on religious and human rights, labor, and other bilateral issues.

American trade with Vietnam helps to promote values we cherish. Restricting relations would harm the very Vietnamese entrepreneurs whose prosperity and jobs depend on trade and access to the outside world. We should support, not isolate, the segments of Vietnamese society which offer the best hope for further progress toward greater freedom and the rule of law for all of Vietnam.

We would like to thank you for your consideration of this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allan Zaremberg', with a stylized flourish extending to the right.

Allan Zaremberg  
President & CEO