

May 31, 2006

The Honorable Susan Schwab  
Deputy U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street, NW  
Washington, DC 20508

Dear Ambassador Schwab:

On behalf of American retailers, the National Retail Federation (NRF) is writing to endorse the bilateral market access agreement signed today between the United States and Vietnam, and to offer the full support of the U.S. retail industry as the process of Vietnam's accession to the World Trade Organization moves forward to Congressional consideration of permanent normal trade relations status for Vietnam.

Vietnam is still a comparatively small but growing supplier to the U.S. market of such consumer goods as footwear, furniture, apparel and coffee. Now that we have had an opportunity to review the bilateral market access agreement and the provisions that would directly impact the U.S. retail industry, it is our opinion that this agreement represents a significant step forward in normalizing political and economic relations between the United States and Vietnam. It also achieves a number of important general policy goals – encouraging commerce between the United States and Vietnam to the benefit of U.S. services providers, manufacturers, farmers, and consumers; integrating Vietnam into the rules-based global trading system; and further encouraging Vietnam's development into a market economy. In order to realize the full benefit of this agreement, the retail industry also strongly supports the process to provide Vietnam permanent normal trade relations (PNTR) status.

Specifically of interest to NRF member companies, we note that the agreement commits Vietnam to allow U.S. retailers to open and wholly own stores and other retail operations serving customers in Vietnam. We are pleased to see that Vietnam has agreed to lower duties and eliminate many restrictions on the importation of most manufactured and agricultural products, including those sold at retail. Also, we appreciate that the United States will eliminate all existing textile and apparel quotas on Vietnam upon its accession to the WTO, and will not employ any special textile safeguard mechanism. In turn, Vietnam has agreed to eliminate immediately all WTO-prohibited subsidies to its textile and apparel industries, and to be subject to an enforcement mechanism to ensure it abides by this commitment. We are persuaded that this enforcement mechanism provides an effective and appropriate means to identify and address any remaining WTO-prohibited subsidies without imposing quotas.

We look forward to working with the Office of the U.S. Trade Representative on implementation of the bilateral market access agreement and on completion of the process of Vietnam's WTO accession on terms that are commercially meaningful for the retail industry. Should you have any questions, please contact NRF Vice President and International Trade Counsel, Erik Autor, at 202-626-8104 or at [autore@nrf.com](mailto:autore@nrf.com).

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The National Retail Federation is the world's largest retail trade association, with membership that comprises all retail formats and channels of distribution including department, specialty, discount, catalog, Internet, independent stores, chain restaurants, drug stores and grocery stores as well as the industry's key trading partners of retail goods and services. NRF represents an industry with more than 1.4 million U.S. retail establishments, more than 23 million employees -- about one in five American workers - and 2005 sales of \$4.4 trillion. As the industry umbrella group, NRF also represents more than 100, national and international retail associations.

Sincerely,

A handwritten signature in cursive script that reads "Tracy Mullin".

Tracy Mullin  
President & CEO