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Congress Considering Normal Trade Relations Status for Vietnam

Bills introduced in Senate, House would support market-access agreement

By Cassie Duong
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Washington -- Following up on a bilateral market-access agreement between the United States and Vietnam that was concluded in May, members of both houses of the U.S. Congress have introduced legislation that would authorize permanent normal trade relations (PNTR) status for Vietnam.

The proposed legislation is an essential step in normalizing relations between the two countries and making possible Vietnam's accession to the World Trade Organization (WTO).

By granting PNTR, formerly known as "most favored nation" status, the United States promises a country treatment in international trade equal to that available to other similarly recognized nations.

Vietnam has been ineligible for this nondiscriminatory treatment because it is subject to provisions of the Jackson-Vanik amendment to the Trade Act of 1974, which withholds normal trade relations from certain nonmarket economies that restrict emigration. The proposed legislation would terminate the Jackson-Vanik restrictions.

Senator Gordon Smith (Republican of Oregon) and Senator Max Baucus (Democrat of Montana) co-sponsored the Senate PNTR bill, S. 3495, which was introduced on June 13 and referred to the Senate Committee on Finance for consideration.

In order for a bill to become law, it must be approved by the committee and identical versions of the bill must be passed by both the House of Representatives and the Senate. Once a bill is passed by Congress, it still requires the president's signature to take effect.

"Granting permanent normal trade relations status to Vietnam will complete the process of reconciliation begun 15 years ago," said Baucus, the ranking minority party member of the Senate Committee on Finance. "This step will allow America to deepen its relationship with one of the most dynamic and successful emerging economies in a key region of Asia."

Smith, also a member of the Senate Committee on Finance, said trade could improve living standards in the United States and around the world.

"International commerce creates new growth opportunities for our manufacturers and agricultural producers," he said. "WTO membership for Vietnam will help ensure that everyone's playing by the same rules."

Representative Jim Ramstad (Republican of Minnesota) and Representative Mike Thompson (Democrat of California) introduced a companion bill, H.R. 5602, in the House of Representatives the same day as the Senate version. Both Ramstad and Thompson are members of the House Ways and Means Committee, which will be considering the proposed legislation.

U.S. Trade Representative (USTR) Susan Schwab welcomed the proposed PNTR legislation, which is a prerequisite for congressional approval of the bilateral market-access agreement signed May 31.

That agreement would give U.S. farmers, workers and service providers greater access to Vietnam's growing market while promoting continued economic and political reform in Vietnam, according to Schwab.

"But we need passage of PNTR to realize these opportunities," she said.

Baucus said he looked forward to working with colleagues in the Senate and the House, members of the Bush administration and other interested parties to secure passage of the legislation before Congress recesses in August.

"With PNTR, we begin the story of full engagement between the United States and Vietnam," he said. "It is a story of economic cooperation and cultural understanding. It is a story where trade and markets overshadow memories of guns and war."

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