

# Committee on Ways and Means

## Summary of Bill to Grant PNTR to Vietnam and Create a Textiles Subsidies Enforcement Mechanism

- The bill grants permanent normal trade relations (PNTR) to Vietnam, thereby eliminating the annual evaluation of Vietnam's emigration practices under the Jackson-Vanik provisions.
- The bill includes a subsidies enforcement mechanism, as set forth in the agreement, to ensure that the Administration acts quickly and decisively if Vietnam grants any prohibited subsidies to its textile and apparel industry in violation of the terms of its accession to the World Trade Organization (WTO).
- The subsidies enforcement mechanism creates a predictable and transparent process to determine whether Vietnam provides prohibited subsidies to its textile and apparel industry.
- The process includes tight timelines for initiation, determination, consultation, and imposition of quotas, and provides fast relief to the U.S. textile and apparel industry.
  - The Administration must determine whether to initiate an investigation and must request consultations with Vietnam within 20 days of receiving a petition (or it may self-initiate an investigation).
  - The Administration must make a determination and, if affirmative, refer the dispute to a WTO arbitrator within 60 days of initiating an investigation.
  - The Administration must impose quotas within 120 days after referring the dispute to the WTO, even if the WTO has not yet made a decision.
  - The quotas will apply to all 38 categories of textiles and apparel as they are currently protected, regardless of whether the Vietnamese prohibited subsidy is minor.
  - The quotas will remain in place for one year unless Vietnam completely eliminates the prohibited subsidy to its textile and apparel industry.
  - The bill contains transparency and consultation provisions to assure that Congress and U.S. industry are better informed and their input is considered.