

1 **TITLE IV—EXTENSION OF NON-**
2 **DISCRIMINATORY TREAT-**
3 **MENT (NORMAL TRADE RELA-**
4 **TIONS TREATMENT) TO THE**
5 **PRODUCTS OF VIETNAM**

6 **SEC. 4001. FINDINGS.**

7 Congress finds the following:

8 (1) In July 1995, President Bill Clinton an-
9 nounced the formal normalization of diplomatic rela-
10 tions between the United States and Vietnam.

11 (2) Vietnam has taken cooperative steps with
12 the United States under the United States Joint
13 POW/MIA Accounting Command (formerly the
14 Joint Task Force-Full Accounting) established in
15 1992 by President George H.W. Bush to provide the
16 fullest possible accounting of MIA and POW cases.

17 (3) In 2000, the United States and Vietnam
18 concluded a bilateral trade agreement that included
19 commitments on goods, services, intellectual prop-
20 erty rights, and investment. The agreement was ap-
21 proved by joint resolution enacted pursuant to sec-
22 tion 405(e) of the Trade Act of 1974 (19 U.S.C.
23 2435(c)), and entered into force in December 2001.



1 (4) Since 2001, normal trade relations treat-
2 ment has consistently been extended to Vietnam pur-
3 suant to title IV of the Trade Act of 1974.

4 (5) Vietnam has undertaken significant market-
5 based economic reforms, including the reduction of
6 government subsidies, tariffs and nontariff barriers,
7 and extensive legal reform. These measures have
8 dramatically improved Vietnam's business and in-
9 vestment climate.

10 (6) Vietnam has completed its negotiations to
11 join the World Trade Organization (WTO). On May
12 31, 2006, the United States and Vietnam signed a
13 comprehensive bilateral agreement providing greater
14 market access for goods and services and other trade
15 liberalizing commitments. On November 7, 2006, the
16 WTO General Council approved Vietnam's member-
17 ship. Vietnam's National Assembly ratified Viet-
18 nam's WTO accession commitments on November
19 28, 2006, and Vietnam will become the 150th Mem-
20 ber of the WTO 30 days thereafter.

21 (7) On November 13, 2006, the Department of
22 State removed Vietnam from its list of Countries of
23 Particular Concern (CPC) for severe violations of re-
24 ligious freedom. In reaching this determination, the
25 Department of State cited significant improvements



1 in Vietnam toward advancing religious freedom,
2 though problems remain that merit immediate atten-
3 tion and important work remains to be done to fully
4 protect religious freedom in Vietnam.

5 **SEC. 4002. TERMINATION OF APPLICATION OF TITLE IV OF**
6 **THE TRADE ACT OF 1974 TO VIETNAM.**

7 (a) PRESIDENTIAL DETERMINATIONS AND EXTEN-
8 SION OF NON-DISCRIMINATORY TREATMENT.—Notwith-
9 standing any provision of title IV of the Trade Act of 1974
10 (19 U.S.C. 2431 et seq.), the President may—

11 (1) determine that such title should no longer
12 apply to Vietnam; and

13 (2) after making a determination under para-
14 graph (1) with respect to Vietnam, proclaim the ex-
15 tension of nondiscriminatory treatment (normal
16 trade relations treatment) to the products of that
17 country.

18 (b) TERMINATION OF THE APPLICABILITY OF TITLE
19 IV.—On and after the effective date of the extension of
20 nondiscriminatory treatment to the products of Vietnam
21 under subsection (a), title IV of the Trade Act of 1974
22 shall cease to apply to that country.



1 **SEC. 4003. PROCEDURE FOR DETERMINING PROHIBITED**
2 **SUBSIDIES BY VIETNAM.**

3 (a) **AUTHORITY OF TRADE REPRESENTATIVE.**—The
4 Trade Representative may conduct proceedings under this
5 section to determine whether the Government of Vietnam
6 is providing, on or after the date on which Vietnam ac-
7 cedes to the World Trade Organization, a prohibited sub-
8 sidy to its textile or apparel industry, if such proceedings
9 are begun, and consultations under section 4004 are initi-
10 ated, during the 1-year period beginning on the date on
11 which Vietnam accedes to the World Trade Organization.

12 (b) **PETITIONS.**—

13 (1) **FILING.**—Any interested person may file a
14 petition with the Trade Representative requesting
15 that the Trade Representative make a determination
16 under subsection (a). The petition shall set forth the
17 allegations in support of the request.

18 (2) **REVIEW BY TRADE REPRESENTATIVE.**—
19 The Trade Representative shall review the allega-
20 tions in any petition filed under paragraph (1) and,
21 not later than 20 days after the date on which the
22 Trade Representative receives the petition, shall de-
23 termine whether to initiate proceedings to make a
24 determination under subsection (a).

25 (3) **PROCEDURES.**—

1 (A) DETERMINATION TO INITIATE PRO-
2 CEEDINGS.—If the Trade Representative makes
3 an affirmative determination under paragraph
4 (2) with respect to a petition, the Trade Rep-
5 resentative shall publish a summary of the peti-
6 tion in the Federal Register and notice of the
7 initiation of proceedings under this section.

8 (B) DETERMINATION NOT TO INITIATE
9 PROCEEDINGS.—If the Trade Representative
10 determines not to initiate proceedings with re-
11 spect to a petition, the Trade Representative
12 shall inform the petitioner of the reasons there-
13 for and shall publish notice of the determina-
14 tion, together with a summary of those reasons,
15 in the Federal Register.

16 (c) INITIATION OF PROCEEDINGS BY OTHER
17 MEANS.—If the Trade Representative determines, in the
18 absence of a petition, that proceedings should be initiated
19 under this section, the Trade Representative shall publish
20 in the Federal Register that determination, together with
21 the reasons therefor, and notice of the initiation of pro-
22 ceedings under this section.



1 **SEC. 4004. CONSULTATIONS UPON INITIATION OF INVES-**
2 **TIGATION.**

3 If the Trade Representative initiates a proceeding
4 under subsection (b)(3)(A) or (c) of section 4003, the
5 Trade Representative, on behalf of the United States,
6 shall, on the day on which notice thereof is published
7 under the applicable subsection, so notify the Government
8 of Vietnam and request consultations with that govern-
9 ment regarding the subsidy.

10 **SEC. 4005. PUBLIC PARTICIPATION AND CONSULTATION.**

11 (a) **PUBLIC PARTICIPATION.**—In the notice published
12 under subsection (b)(3)(A) or (c) of section 4003, the
13 Trade Representative shall provide an opportunity to the
14 public for the presentation of views concerning the
15 issues—

16 (1) within the 30-day period beginning on the
17 date of the notice (or on a date after such period if
18 agreed to by the petitioner), or

19 (2) at such other time if a timely request there-
20 for is made by the petitioner or by any interested
21 person,

22 with a public hearing if requested by an interested person.

23 (b) **CONSULTATION.**—The Trade Representative shall
24 consult with the Committee on Ways and Means of the
25 House of Representatives and the Committee on Finance
26 of the Senate, and with the appropriate advisory commit-



1 tees established under section 135 of the Trade Act of
2 1974 (19 U.S.C. 2155), with respect to whether to initiate
3 proceedings under section 4003 and, if proceedings are
4 conducted, with respect to making the determination
5 under subsection (c).

6 (c) DETERMINATION.—After considering all com-
7 ments submitted, and within 30 days after the close of
8 the comment period under subsection (a), the Trade Rep-
9 resentative shall determine whether the Government of
10 Vietnam is providing, on or after the date on which Viet-
11 nam accedes to the World Trade Organization, a prohib-
12 ited subsidy to its textile or apparel industry. The Trade
13 Representative shall publish that determination in the
14 Federal Register, together with the justification for the
15 determination.

16 (d) RECORD.—The Trade Representative shall make
17 available to the public a complete record of all noncon-
18 fidential information presented in proceedings conducted
19 under this section, together with a summary of confiden-
20 tial information so submitted.

21 **SEC. 4006. ARBITRATION AND IMPOSITION OF QUOTAS.**

22 (a) ARBITRATION.—If, within 60 days after consulta-
23 tions are requested under section 4004, in a case in which
24 the Trade Representative makes an affirmative determina-
25 tion under section 4005(c), the matter in dispute is not



1 resolved, the Trade Representative shall request arbitra-
2 tion of the matter under the Dispute Settlement Under-
3 standing.

4 (b) IMPOSITION OF QUOTAS.—

5 (1) IN GENERAL.—The Trade Representative
6 shall impose, for a period of not more than 1 year,
7 the quantitative limitations described in paragraph
8 (2) on textile and apparel products of Vietnam—

9 (A) if, pursuant to arbitration under sub-
10 section (a), the arbitrator determines that the
11 Government of Vietnam is providing, on or
12 after the date on which Vietnam accedes to the
13 World Trade Organization, a prohibited subsidy
14 to its textile or apparel industry; or

15 (B) if the arbitrator does not issue a deci-
16 sion within 120 days after the request for arbi-
17 tration, in which case the limitations cease to
18 be effective if the arbitrator, after such limita-
19 tions are imposed, determines that the Govern-
20 ment of Vietnam is not providing, on or after
21 the date on which Vietnam accedes to the
22 World Trade Organization, a prohibited subsidy
23 to its textile or apparel industry.

24 (2) LIMITATIONS DESCRIBED.—The quan-
25 titative limitations referred to in paragraph (1) are



1 those quantitative limitations that were in effect
2 under the Bilateral Textile Agreement during the
3 most recent full calendar year in which the Bilateral
4 Textile Agreement was in effect.

5 (c) DETERMINATION OF COMPLIANCE.—If, after im-
6 posing quantitative limitations under subsection (b) be-
7 cause of a prohibited subsidy, the Trade Representative
8 determines that the Government of Vietnam is not pro-
9 viding, on or after the date on which Vietnam accedes to
10 the World Trade Organization, a prohibited subsidy to its
11 textile or apparel industry, the quantitative limitations
12 shall cease to be effective on the date on which that deter-
13 mination is made.

14 **SEC. 4007. DEFINITIONS.**

15 In this title:

16 (1) BILATERAL TEXTILE AGREEMENT.—The
17 term “Bilateral Textile Agreement” means the
18 Agreement Relating to Trade in Cotton, Wool, Man-
19 Made Fiber, Non-Cotton Vegetable Fiber and Silk
20 Blend Textiles and Textile Products Between the
21 Governments of the United States of America and
22 the Socialist Republic of Vietnam, entered into on
23 July 17, 2003.

24 (2) DISPUTE SETTLEMENT UNDERSTANDING.—
25 The term “Dispute Settlement Understanding”



1 means the Understanding on Rules and Procedures
2 Governing the Settlement of Disputes referred to in
3 section 101(d)(16) of the Uruguay Round Agree-
4 ments Act (19 U.S.C. 3511(d)(16)).

5 (3) INTERESTED PERSON.—The term “inter-
6 ested person” includes, but is not limited to, domes-
7 tic firms and workers, representatives of consumer
8 interests, United States product exporters, and any
9 industrial user of any goods or services that may be
10 affected by action taken under section ^{4006(b)}~~6(b)~~.

11 (4) PROHIBITED SUBSIDY.—

12 (A) IN GENERAL.—The term “prohibited
13 subsidy” means a subsidy described in article
14 3.1 of the Agreement on Subsidies and Coun-
15 tervailing Measures.

16 (B) SUBSIDY.—The term “subsidy” means
17 a subsidy within the meaning of article 1.1 of
18 the Agreement on Subsidies and Countervailing
19 Measures.

20 (C) AGREEMENT ON SUBSIDIES AND
21 COUNTERVAILING MEASURES.—The term
22 “Agreement on Subsidies and Countervailing
23 Measures” means the Agreement on Subsidies
24 and Countervailing Measures referred to in sec-



