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BAUCUS, SMITH LEAD INTRODUCTION OF VIETNAM PNTR BILL

Senators Push Historic Last Step to U.S.-Vietnam Normalization

Washington, DC – U.S. Senators Max Baucus (D-Mont.) and Gordon Smith (R-Oregon) today led a group of eight Senators in introducing legislation to grant Vietnam Permanent Normal Trade Relations status (“PNTR”). U.S. Senators John McCain (R-Ariz.), John Kerry (D-Mass.), Chuck Hagel (R-Neb.), Richard Lugar (R-Ind.), Lisa Murkowski (R-Alaska), and Tom Carper (D-Del.), joined Baucus and Smith as original co-sponsors. Representatives Jim Ramstad (R-Minn.), Mike Thompson (D-Calif.), and twenty other House members introduced a companion bill in the House to afford PNTR to Vietnam, making permanent what was formerly called “most-favored nation” trade status.

“Granting permanent normal trade relations status to Vietnam will complete the process of reconciliation begun 15 years ago and worked for by Democrats and Republicans alike, on Capitol Hill and in the White House. I will work hard to secure passage of this legislation by the August recess.” said Baucus, who is Ranking Member on the Senate Finance Committee. **“This step will allow America to deepen its relationship with one of the most dynamic and successful emerging markets in a key region of Asia.”**

“As a businessman, I’ve seen how trade can raise standards of living both in America and around the world,” Smith said. **“International commerce creates new growth opportunities for our manufacturers and agricultural producers, and WTO membership for Vietnam will help ensure that everyone’s playing by the same rules.”**

PNTR is a pledge of non-discrimination. A grant of PNTR is a promise not to treat imports from one country more harshly than those from another country. Vietnam is currently ineligible for PNTR because it is subject to the Jackson-Vanik provisions of U.S. law, which withhold PNTR from certain Communist or formerly Communist countries. The United States typically terminates a country’s Jackson-Vanik status and grants that country PNTR as part of its accession to the World Trade Organization (WTO). The Baucus-Smith legislation takes this action with regard to Vietnam.

On May 31, Vietnam and the United States completed their bilateral WTO accession agreement, which paves the way for Vietnam to join the WTO. Vietnam hopes to become a WTO member before it hosts the Asia-Pacific Economic Cooperation (APEC) summit in Hanoi in November, which President Bush and other APEC leaders are planning to attend.

The Baucus-Smith legislation is expected to be referred to the U.S. Senate Committee on Finance.

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