

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 23, 2002 (House)

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by omb with the concerned agencies.)

<u>H.J.Res. 101 - Disapproving the Extension</u> of Jackson-Vanik Waiver Authority for Vietnam

(Rep. Rohrabacher (R) CA)

The Administration strongly opposes H.J. Res. 101, which would disapprove the extension of a waiver of the Jackson-Vanik freedom of emigration requirements with respect to Vietnam. On June 3, President Bush determined that continuation of the Jackson-Vanik waiver would substantially promote the freedom of emigration objectives of the Jackson-Vanik amendment. The United States has extended a Jackson-Vanik waiver to Vietnam for the past four years. The Administration urges the Congress to defeat H.J. Res. 101 for the reasons explained below.

The Administration has worked with Vietnam over the last decade to normalize incrementally our bilateral political, economic, and consular relationships. Our increasing involvement has secured Vietnamese cooperation and engagement on a range of important U.S. policy goals, including freedom of emigration. Since 1980, over 500,000 Vietnamese have emigrated as refugees or immigrants to the United States and only a small number of refugee applicants remain to be processed.

We believe that continued U.S. engagement also gives hope of achieving the fullest possible accounting of POW/MIAs from the Vietnam War, and producing gains in respect for human rights as well. In addition, U.S. engagement is helping to promote the development of a more prosperous Vietnam and to integrate it into world markets and regional organizations, which, in turn, helps contribute to regional stability.

As the thirteenth most populous country in the world, Vietnam is an important potential market for U.S. business. Last December the U.S. and Vietnam entered into a bilateral trade agreement that has helped fuel a rapid expansion in trade between our two countries. The Jackson-Vanik waiver, which enables the extension of Normal Trade Relations status for Vietnam and full implementation of the U.S.-Vietnam bilateral trade agreement, has permitted U.S. businesses to take advantage of business opportunities opened by the bilateral trade agreement. Moreover, the waiver also enables the extension of U.S. Government programs supporting U.S. exports to and investments in Vietnam, which U.S. businesses are able to take advantage of to further their interests in Vietnam.

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