

Congress of the United States

House of Representatives

Washington, DC 20515

March 12, 2004

Honorable Robert B. Zoellick
United States Trade Representative
600 Seventeenth Street, N.W.
Washington, D.C. 20508

Honorable Donald Evans
Secretary of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Ambassador Zoellick and Secretary Evans:

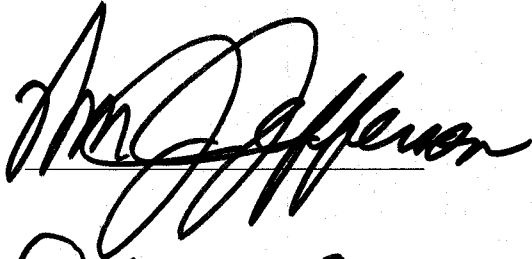
A year ago we wrote to the Administration questioning the need to impose quotas on apparel made in Vietnam in the absence of evidence that such trade was causing market disruption or threatening the loss of jobs in the United States. Ultimately, a bilateral agreement was reached, establishing more than two dozen quotas, with many of those quotas set at levels below the volume of orders already in place, although the U.S. retail sector had provided specific and substantial evidence demonstrating that their orders in Vietnam did not reflect any movement of business from the United States or from preference programs in the Western Hemisphere. Now we understand that the Administration is seeking to reduce those agreed quota levels.

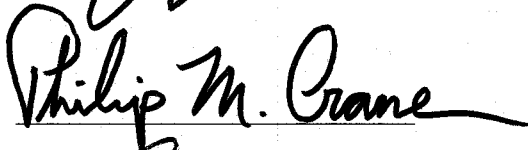
We recognize that the bilateral agreement provides that if the data upon which the United States relied in negotiating the quota levels was wrong, the United States may seek revisions in the agreement. Yet all indications are that the reductions are being sought not because of discrepancies in the data, but because of criticisms of the agreement voiced last year.

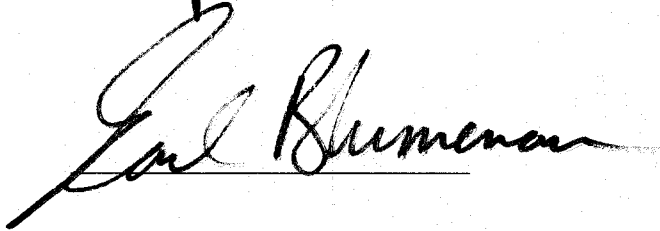
According to the information we have seen, the U.S. Bureau of Customs and Border Protection conducted a comprehensive investigation, including visiting 100 factories in Vietnam, and concluded that Vietnam has the capacity to produce the volume attributed to it. Certainly, to the extent that there is evidence that specific entities were involved in unlawful conduct, those individuals should be penalized. Reportedly, the Vietnam Government responded swiftly and positively to the report issued by Customs, initiating action against the few suspect enterprises, and addressing concerns about counterfeit documents by making the considerable investment in an electronic visa verification system. Indeed, Vietnam stands out as an example of government-to-government cooperation to address and avoid illegal transshipment. We must credit and encourage Vietnam for its efforts, rather than proposing to penalize Vietnam and the many U.S. importers and retailers who have developed production in Vietnam as a hedge against over-reliance upon China.

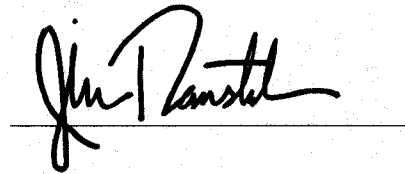
Instead of focusing on reducing quota levels, especially when much of the quota system will be dismantled at the end of the year, we urge the Administration to focus on developing and supporting initiatives that will help U.S. firms better compete in the global environment.

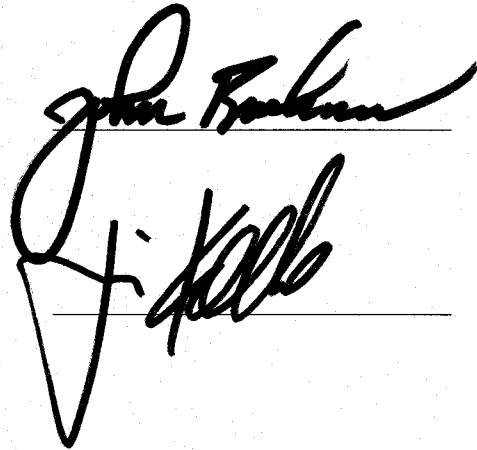
Sincerely,


Philip M. Crane


Philip M. Crane


Paul Blumenthal


Jim Tansted


John Raskin