

July 11, 2006

The Honorable Charles E. Grassley
Chairman,
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable William M. Thomas
Chairman,
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Max Baucus
Ranking Member,
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles B. Rangel
Ranking Member,
House Committee on Ways and Means
1106 Longworth House Office Building
Washington, DC 20515

Dear Sirs,

The members of the U.S. High Tech Trade Coalition (HTTC) strongly support H.R. 5602, the legislation extending Permanent Normal Trade Relations (PNTR) status for Vietnam, and are writing to urge your support for its passage.

Our industry vitally depends on enhanced multilateral trade liberalization, and trade agreements such as the agreement reached in bilateral negotiations for Vietnam's accession to the World Trade Organization (WTO), will greatly help our companies gain access to that growing market. The United States and Vietnam concluded their bilateral negotiations on May 14th, 2006, and officially signed the agreement on May 31st. The legislation to grant PNTR to Vietnam was introduced in both the U.S. House of Representatives and the Senate on June 13th.

The U.S. high technology industry seeks congressional approval of PNTR for Vietnam in order to take full advantage of the benefits that will be granted upon Vietnam's accession to the WTO. Vietnam's government has made high technology one of the country's main priorities by giving high-tech companies special status and investment incentives. The country continues to invest heavily in information and communication technology (ICT), with ICT spending growing exponentially over the past five years from a mere 4.6 billion in 2001 to an expected 9.24 billion in 2006. This has paved the way for U.S. IT and electronics companies to increase exports and expand investment in order to take advantage of the opportunities in the Vietnamese market. Vietnam's telecommunications revenues were worth U.S. \$1.5 billion last year, and the country exported \$1.5 billion worth of electronics products this year, up 7.1 percent from 2004. U.S. high-tech goods exports to Vietnam increased by 179 percent from 1999 - 2005 (from \$49 million in 1999 to \$138 million in 2005). Capturing more of that market for U.S. products and services will be possible through Vietnam's accession to the WTO.

Congressional approval of PNTR for Vietnam is also important for U.S. foreign policy interests in the region. As political and economic concerns in the region grow, increased trade with Vietnam helps reinforce U.S.-Vietnamese relations. It is extremely important for the U.S. to

bolster reformers within Vietnam in their efforts to integrate Vietnam into the global economy. President Bush is scheduled to visit Vietnam for the APEC Leaders' Summit this November, and passage of H.R. 5602 will show U.S. Congressional support of and U.S. intent to continue a robust and meaningful bilateral relationship.

Thank you very much for your attention, and we look forward to working with you on other issues important to the U.S. high technology sector.

Sincerely,

AeA
Consumer Electronics Association
Information Technology Association of America
Information Technology Industry Council
National Electrical Manufacturers Association
Semiconductor Industry Association
Software & Information Industry Association
TechNet
Technology CEO Council
Telecommunications Industry Association

Cc:

The Honorable Ambassador Susan Schwab, United States Trade Representative