H. R. _____

To require a report on the continuing participation of Cambodia in the Generalized System of Preferences.

IN THE HOUSE OF REPRESENTATIVES

Mr. LOWENTHAL introduced the following bill; which was referred to the Committee on ________________

A BILL

To require a report on the continuing participation of Cambodia in the Generalized System of Preferences.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Cambodia Trade Act of 2019”.

4 SEC. 2. FINDINGS.

5 Congress finds the following:
(1) Prime Minister Hun Sen has been in power in Cambodia since 1985 and is the longest-serving leader in Southeast Asia.

(2) The Paris Peace Accords in 1991 provided a vital framework, supported by the United States, European Union, and Japan, intended to help Cambodia undertake a transition to democracy, including through elections and multiparty democracy.

(3) For more than 25 years, the United States Government has provided hundreds of millions of dollars in development aid and other types of assistance to the people of Cambodia, including preferential trade treatment.

(4) In 1997 the United States included Cambodia in the Generalized System of Preferences (GSP) program, which extends specialized duty-free exports to developing nations.

(5) The Trade Act of 1974 establishes conditions of eligibility for inclusion in GSP, including “whether or not other major developed countries are extending generalized preferential tariff treatment to such country”, and “whether or not such country has taken or is taking steps to afford to workers in that country (including any designated zone in that country) internationally recognized worker rights”.

February 19, 2019 (9:26 a.m.) (716319|2)
(6) The two sectors in Cambodia’s economy that benefits from GSP are garment and handbag production. The garment industry is the largest employer in Cambodia’s economy and accounts for nearly half of gross domestic product growth. The sector employs more than 700,000 Cambodians, most of whom are women. In 2018, Human Rights Watch warned that these women are often subjected to forced overtime and pregnancy-based discrimination, and denied paid maternity leave.

(7) In 2015 Human Rights Watch released a broader study on the garment sector in Cambodia with the following finding: “[Labor rights abuses] include forced overtime and retaliation against those who sought exemption from overtime, lack of rest breaks, denial of sick leave, use of underage child labor, and the use of union-busting strategies to thwart independent unions.”.

(8) In October 2017, the Office of the United States Trade Representative (USTR) announced a new triennial process to assess GSP beneficiary country eligibility. The first assessment period covered 25 Asian and Pacific island GSP beneficiary countries. For each such country, USTR and other United States Government agencies examined the
country’s policies and practices related to each of the 15 eligibility criteria established by Congress, including respecting arbitral awards in favor of United States citizens or corporations, combating child labor, respecting internationally recognized worker rights, providing adequate and effective intellectual property protection, reducing barriers to services trade and investment, and providing the United States with equitable and reasonable market access.

In April 2018, USTR announced that it is reviewing the eligibility of India, Indonesia, and Kazakhstan in the GSP program based on concerns about the countries’ compliance with the program. This review did not mention Cambodia.

(9) In the 2017 Human Rights Report, the Department of State warned: “Labor inspectors did not enforce labor standards in the informal sector or in unlicensed workplaces. In the formal sector, sources reported labor inspectors conducted routine inspections only in registered garment and footwear factories, where the incidence of child labor remained extremely low.”

(10) In its country-specific Cambodia report in 2017, the Department of Labor stated: “When child labor inspections do occur, they are concentrated in
the city of Phnom Penh, as well as in the provincial,
formal-sector factories producing goods for export,
such as textiles and garments.”.

(11) In 2018, the Department of Labor released a report on goods produced by child labor pursuant to the Trafficking Victims Protection Re-authorization Act of 2005, and identified Cambodia as one of four countries, including the People’s Republic of China, which produces textiles with child labor.

(12) The European Union established “Everything But Arms” (EBA) in 2001, a comparable GSP program, which included Cambodia. The European Union began the formal process of reviewing Cambodia’s inclusion in EBA in 2018 in response to Prime Minister Hun Sen’s authoritarian manipulation of the 2018 general elections, which included imprisoning Cambodia National Rescue Party (CNRP) President Kem Sokha, dissolving CNRP, and closing independent newspapers and radio stations.

(13) On February 11, 2019, the European Commission launched a procedure that could lead to suspension of Cambodia from EBA trade preferences. In the announcement the Commission stat-
ed: “Following a period of enhanced engagement, including a fact-finding mission to Cambodia in July 2018 and subsequent bilateral meetings at the highest level, the Commission has concluded that there is evidence of serious and systematic violations of core human rights and labour rights in Cambodia, in particular of the rights to political participation as well as of the freedoms of assembly, expression and association. These findings add to the longstanding EU concerns about the lack of workers’ rights and disputes linked to economic land concessions in the country.”.

SEC. 3. REPORT ON THE CONTINUING PARTICIPATION OF CAMBODIA IN THE GENERALIZED SYSTEM OF PREFERENCES.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress a report setting forth the following:

(1) A determination as to whether, if its status as such were reviewed, the Government of Cambodia would meet the criteria in sections 501 and 502(c) of the Trade Act of 1974 (19 U.S.C. 2461, 2462(c)) for designation as—

(A) a beneficiary developing country; or
(B) a least-developed beneficiary developing country.

(2) A decision as to whether the application of duty-free treatment under the Generalized System of Preferences to the Government of Cambodia should be withdrawn, suspended, or limited pursuant to section 502(d) of the Trade Act of 1974 (19 U.S.C. 2462(d)).

(b) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Committee on Finance of the Senate; and

(2) the Committee on Ways and Means of the House of Representatives.