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(Original Signature of Member)

116TH CONGRESS  
1ST SESSION

**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 Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) Prime Minister Hun Sen has been in power  
2           in Cambodia since 1985 and is the longest-serving  
3           leader in Southeast Asia.

4           (2) The Paris Peace Accords in 1991 provided  
5           a vital framework, supported by the United States,  
6           European Union, and Japan, intended to help Cam-  
7           bodia undertake a transition to democracy, including  
8           through elections and multiparty democracy.

9           (3) For more than 25 years, the United States  
10          Government has provided hundreds of millions of  
11          dollars in development aid and other types of assist-  
12          ance to the people of Cambodia, including pref-  
13          erential trade treatment.

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

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

1           (6) The two sectors in Cambodia’s economy  
2 that benefits from GSP are garment and handbag  
3 production. The garment industry is the largest em-  
4 ployer in Cambodia’s economy and accounts for  
5 nearly half of gross domestic product growth. The  
6 sector employs more than 700,000 Cambodians,  
7 most of whom are women. In 2018, Human Rights  
8 Watch warned that these women are often subjected  
9 to forced overtime and pregnancy-based discrimina-  
10 tion, and denied paid maternity leave.

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

19           (8) In October 2017, the Office of the United  
20 States Trade Representative (USTR) announced a  
21 new triennial process to assess GSP beneficiary  
22 country eligibility. The first assessment period cov-  
23 ered 25 Asian and Pacific island GSP beneficiary  
24 countries. For each such country, USTR and other  
25 United States Government agencies examined the

1 country's policies and practices related to each of  
2 the 15 eligibility criteria established by Congress, in-  
3 cluding respecting arbitral awards in favor of United  
4 States citizens or corporations, combating child  
5 labor, respecting internationally recognized worker  
6 rights, providing adequate and effective intellectual  
7 property protection, reducing barriers to services  
8 trade and investment, and providing the United  
9 States with equitable and reasonable market access.  
10 In April 2018, USTR announced that it is reviewing  
11 the eligibility of India, Indonesia, and Kazakhstan in  
12 the GSP program based on concerns about the coun-  
13 tries' compliance with the program. This review did  
14 not mention Cambodia.

15 (9) In the 2017 Human Rights Report, the De-  
16 partment of State warned: "Labor inspectors did not  
17 enforce labor standards in the informal sector or in  
18 unlicensed workplaces. In the formal sector, sources  
19 reported labor inspectors conducted routine inspec-  
20 tions only in registered garment and footwear fac-  
21 tories, where the incidence of child labor remained  
22 extremely low."

23 (10) In its country-specific Cambodia report in  
24 2017, the Department of Labor stated: "When child  
25 labor inspections do occur, they are concentrated in

1 the city of Phnom Penh, as well as in the provincial,  
2 formal-sector factories producing goods for export,  
3 such as textiles and garments.”.

4 (11) In 2018, the Department of Labor re-  
5 leased a report on goods produced by child labor  
6 pursuant to the Trafficking Victims Protection Re-  
7 authorization Act of 2005, and identified Cambodia  
8 as one of four countries, including the People’s Re-  
9 public of China, which produces textiles with child  
10 labor.

11 (12) The European Union established “Every-  
12 thing But Arms” (EBA) in 2001, a comparable  
13 GSP program, which included Cambodia. The Euro-  
14 pean Union began the formal process of reviewing  
15 Cambodia’s inclusion in EBA in 2018 in response to  
16 Prime Minister Hun Sen’s authoritarian manipula-  
17 tion of the 2018 general elections, which included  
18 imprisoning Cambodia National Rescue Party  
19 (CNRP) President Kem Sokha, dissolving CNRP,  
20 and closing independent newspapers and radio sta-  
21 tions.

22 (13) On February 11, 2019, the European  
23 Commission launched a procedure that could lead to  
24 suspension of Cambodia from EBA trade pref-  
25 erences. In the announcement the Commission stat-

1 ed: “Following a period of enhanced engagement, in-  
2 cluding a fact-finding mission to Cambodia in July  
3 2018 and subsequent bilateral meetings at the high-  
4 est level, the Commission has concluded that there  
5 is evidence of serious and systematic violations of  
6 core human rights and labour rights in Cambodia, in  
7 particular of the rights to political participation as  
8 well as of the freedoms of assembly, expression and  
9 association. These findings add to the longstanding  
10 EU concerns about the lack of workers’ rights and  
11 disputes linked to economic land concessions in the  
12 country.”.

13 **SEC. 3. REPORT ON THE CONTINUING PARTICIPATION OF**  
14 **CAMBODIA IN THE GENERALIZED SYSTEM OF**  
15 **PREFERENCES.**

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

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

25 (A) a beneficiary developing country; or

1                   (B) a least-developed beneficiary devel-  
2                   oping country.

3                   (2) A decision as to whether the application of  
4                   duty-free treatment under the Generalized System of  
5                   Preferences to the Government of Cambodia should  
6                   be withdrawn, suspended, or limited pursuant to sec-  
7                   tion 502(d) of the Trade Act of 1974 (19 U.S.C.  
8                   2462(d)).

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

12                  (c) APPROPRIATE COMMITTEES OF CONGRESS DE-  
13                  FINED.—In this section, the term “appropriate commit-  
14                  tees of Congress” means—

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

16                         and

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