

Billing Code 3290-F1

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Determinations and Ongoing Monitoring: Investigation Concerning Vietnam's Acts, Policies and Practices Related to Illegal Timber

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Notice.

SUMMARY: Based on an agreement reached between the United States of America and the Socialist Republic of Vietnam (the Parties) regarding illegal logging and timber trade, the U.S. Trade Representative has determined that no action is warranted at this time because the subject matter of this investigation has been resolved satisfactorily. The U.S. Trade Representative will monitor Vietnam's implementation of the commitments it has agreed to.

FOR FURTHER INFORMATION CONTACT: For questions concerning the investigation, contact David Lyons, Assistant General Counsel, 202-395-9446; Kimberly Reynolds, Assistant General Counsel, 202-395-6336; Marta Prado, Deputy Assistant U.S. Trade Representative for Southeast Asia and the Pacific, 202-395-6216; or Joseph Johnson, Senior Director for Environment and Natural Resources, 202-395-2464.

SUPPLEMENTARY INFORMATION

I. Proceedings in the Investigation

On October 2, 2020, the U.S. Trade Representative initiated an investigation of Vietnam's acts, policies and practices related to the import and use of illegal timber pursuant to Section 301(b)(1)(A) of the Trade Act of 1974, as amended (the Trade Act). *See* 85 FR 63639 (Oct. 8, 2020) (notice of initiation). On the same date, USTR requested

consultations with Vietnam, which were held on January 7, 2021. The Section 301 Committee solicited comments and held a public hearing on December 28, 2020. *See* 85 FR 75398 (Nov. 25, 2020).

USTR initiated the investigation to examine reports that Vietnam’s wood processing industry relies upon imported timber that may have been illegally harvested or traded. The notice of initiation indicated that the investigation would initially focus on three issues: (1) that certain timber imports may be inconsistent with Vietnam’s domestic laws, the laws of exporting countries, or international rules, (2) the adequacy of Vietnam’s enforcement measures at the border with respect to imported timber, and (3) other acts, policies and practices of Vietnam relating to the import and use of illegally harvested or traded timber. Investigating these issues has involved an examination of Vietnam’s ongoing implementation of its new, risk-based “timber legality assurance system” and potential improvements to that system.

During the last several months of the investigation, USTR has engaged with Vietnam in an effort to reach an agreement that would resolve U.S. concerns with Vietnam’s import and use of illegal timber. As described below, these efforts have been successful.

II. Agreement with Vietnam and Associated Determinations

On October 1, 2021, the U.S. Trade Representative and the Minister for the Ministry of Agriculture and Rural Development of Vietnam signed the *Agreement between the Governments of the Socialist Republic of Vietnam and the United States of America on Illegal Logging and Timber Trade* (the Agreement). The Agreement is

publicly available on USTR's website at <https://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-vietnam-timber>.

The Agreement reflects the Parties' shared understanding of the importance of combating illegal logging and associated trade. It contains multiple commitments on issues related to illegal timber, including:

- Vietnam's treatment of confiscated timber.
- Financial incentives related to illegal timber.
- Customs inspections and clearance.
- Entities covered by Vietnam's timber legality assurance system.
- The criteria used to classify a third country as a "positive geographical area exporting timber to Vietnam".
- The verification of domestically harvested timber.
- The implementation of certain licensing schemes.
- Cooperation with the governments of third-country sources of imported timber.
- Illegal timber activities in third countries or involving third-country nationals.
- Verification and enforcement measures.
- Cooperation between the Parties' respective law enforcement agencies to combat the harvest and trade of illegal timber.
- Creation of a timber working group under the U.S.-Vietnam Trade and Investment Framework Agreement Council.
- Public information and participation on matters related to the implementation of the Agreement.

- Cooperation on technical assistance and initiatives to promote sustainable forest management and to combat illegal logging and associated trade.

The U.S. Trade Representative has found that the Agreement satisfactorily resolves the matter subject to investigation. Therefore, the U.S. Trade Representative has determined that the investigated acts, policies, and practices are not actionable in light of the Agreement and that no action is appropriate at this time.

III. Ongoing Monitoring

Pursuant to Section 306(a) of the Trade Act, the U.S. Trade Representative will monitor Vietnam's implementation of its commitments under the Agreement and associated measures. Pursuant to Section 306(b) of the Trade Act, if the U.S. Trade Representative determines that Vietnam is not satisfactorily implementing the Agreement or associated measures, then the U.S. Trade Representative will consider further action under Section 301.

Greta Peisch
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Office of the United States Trade Representative.