

**Testimony of Joseph Y. Yun
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Before the

**House Committee on Foreign Affairs
Subcommittee on Asia and the Pacific**

June 5, 2013

U.S. Relations with Vietnam

Mr. Chairman, Mr. Faleomaveaga, and Members of the Subcommittee, thank you very much for inviting me here today to testify on the United States' relationship with Vietnam. It is also a pleasure to testify together with my colleague Deputy Assistant Secretary Dan Baer from our Democracy, Human Rights, and Labor Bureau. Deputy Assistant Secretary Baer will discuss the human rights situation in Vietnam in detail. In my testimony I will provide an overview of our economic, security, military-to-military, and people-to-people relationship with Vietnam. Our bilateral relationship with Vietnam is developing into an important emerging partnership. Today, we are building on our common interest in a stable, secure, and prosperous Asia-Pacific. Our efforts in Vietnam focus on promoting a market-oriented economy that welcomes U.S. exports and investment; advancing regional peace and security; increasing respect for human rights, religious freedom, good governance and rule of law; and promoting human welfare and health.

I would like to emphasize that our concern for human rights factors into all aspects of our policy approach and engagement with Vietnam. We believe that greater respect for human rights on the part of the Government of Vietnam would help ensure that country's future economic, social, and political development and allow us to strengthen our bilateral relationship. We have underscored with the Vietnamese leadership that the American people will not support a dramatic upgrading of our bilateral ties without demonstrable progress on human rights.

It is useful to consider how far we have come in our bilateral relationship since our two countries normalized diplomatic relations in 1995. Eighteen years ago, United States two-way trade with Vietnam was just \$450 million, which was barely a rounding error in our global trade. With the completion of our bilateral trade agreement in 2001, our economic relationship took off. Today, we conduct close to \$25 billion in two-way trade with Vietnam per year, and Vietnam has attracted more than \$10 billion in U.S. direct investment – a significant benefit to both countries. The decision of Vietnam's leaders in

the 1980s to scrap Soviet-style state planning and integrate Vietnam into the global trading system has paid rich dividends for Vietnamese economic growth and development. It is true that Vietnam continues to grapple with problems of corruption, inefficient state-owned enterprises, and an unequal distribution of wealth, but it is important to acknowledge Vietnam's achievements in poverty reduction, particularly over the last two decades. I believe U.S. economic engagement has played a significant role in this ongoing transformation.

It is important to highlight the vital role that Vietnamese-Americans are playing in Vietnam's development. We see the Vietnamese-American community as an essential partner in strengthening the bilateral relationship, and the Department of State values our continuing dialogue with this key constituency. As part of this ongoing effort, our Ambassador to Vietnam, David Shear, is visiting California this week and will hold town hall events in both Orange County and San Jose to hear the concerns of Vietnamese-Americans and to discuss our policy toward Vietnam.

Vietnamese-American owned businesses have invested hundreds of millions of dollars in Vietnam, and an increasing number of Vietnamese-Americans have gone to work in Vietnam, many as executives in multi-national companies with operations in the country. The approximately \$7 billion in remittances sent back to Vietnam from the United States each year provides capital for new businesses and boosts consumption. The influence of Vietnamese-Americans goes beyond business and includes important cultural, educational, and family links. This contact is extremely beneficial, and we want to encourage more, especially among younger generations. There certainly are difficulties and lingering suspicions, which are a legacy of the Vietnam War. Too often overseas Vietnamese who want their homeland to become more open, democratic, and prosperous are viewed with distrust by Vietnam's security services. We have urged the Government of Vietnam to improve its outreach to Vietnamese-Americans and to address the community's human rights concerns, which are shared by the Administration.

The centerpiece of our economic agenda with Vietnam is the Trans-Pacific Partnership (TPP), a 21st-century regional free trade agreement that will economically integrate Vietnam with countries on both sides of the Asia-Pacific region. To derive the economic benefits of being part of the premier trade and investment grouping in the region, Vietnam will need to open its goods and services markets and meet high standards across a broad range of areas, including intellectual property rights protection, transparency and openness in government procurement practices, disciplines on preferential treatment toward state-owned enterprises free flow of information for promoting the digital economy, strong labor protections for workers, to name a few. Completing the agreement will be a challenge, but the rewards will be considerable – preliminary analysis suggests Vietnam will be one of the biggest beneficiaries of the TPP. U.S. technical assistance continues to support the Government of Vietnam in addressing the broad range of new trade and investment issues under negotiation in the TPP and

maintains momentum for Vietnam's market reforms, modernization, and integration. In addition to joining the TPP, Vietnam has high ambitions to grow a high-tech and knowledge-based economy, but draft rules to control the internet and regulate foreign broadcast content run counter to this goal. We regularly engage Vietnamese officials to emphasize that building a vibrant, innovative economy requires allowing people the freedom to think, create, and take full advantage of the trade and investment ecosystem that TPP will afford.

Our cooperation on regional issues has deepened considerably. Since its highly successful chairmanship of the Association of Southeast Asian Nations (ASEAN) in 2010, Vietnam has solidified its position as a regional leader. We have worked together in ASEAN and other multilateral fora to encourage discussion of maritime security, humanitarian assistance, and disaster relief issues facing the region. The United States also supports the efforts by Vietnam and other ASEAN members to negotiate with China a Code of Conduct in the South China Sea and to resolve disputes through diplomatic or other peaceful means and in accordance with international law, including as reflected in the UN Law of the Sea Convention. We realize that the region's prosperity is based on continued stability, particularly in the South China Sea, and we support regional efforts to manage these disputes without the use of force or coercion. In addition, we work together to advance development in the Mekong sub-region through the Lower Mekong Initiative (LMI).

On the diplomatic side of the relationship, the United States and Vietnam are cooperating more closely on regional and global security issues. Vietnam and the United States share a common interest in maintaining peace and security in Southeast Asia and, more broadly, in the Asia Pacific. We appreciate Vietnam's commitment to non-proliferation, including its ratification of the International Atomic Energy Agency's Additional Protocol last year and completion of the removal of highly enriched uranium from the Da Lat nuclear research reactor. Vietnam sits along vital shipping routes, and the United States is working with Vietnam to enhance its maritime domain awareness and strengthen its maritime police force so that Hanoi can become an even stronger and more effective partner in countering narcotics smuggling, piracy, and covert shipments related to weapons of mass destruction. We are enhancing military-to-military exchanges and conducting joint trainings in search and rescue and disaster relief. The United States welcomes Vietnam's plans to deploy its first troops overseas in support of United Nations peacekeeping missions by 2014. To help with this effort, the United States is providing broad-based professional military education to the Vietnamese military to help them prepare for these missions.

While we intend to pursue closer security ties with Vietnam, there remain limits on our military-to-military relationship related to human rights. In 2007, the U.S. government modified the embargo on defense sales to Vietnam to allow for the sale of non-lethal military equipment on a case-by-case basis. We will continue to support Vietnam's

efforts to modernize its military within the non-lethal realm to support the security priorities I have outlined above. However, we have made clear to Vietnam's defense and civilian leaders that for the United States to consider lifting the remaining restrictions on defense equipment exports, including on lethal weapons, there needs to be continued demonstrable, sustained improvement in the human rights situation in the country.

We have a difficult history, but both sides have moved to resolve war legacy issues in a way that has built considerable trust and goodwill. For over two decades now, Vietnam has facilitated operations to recover the remains of American service members missing from the Vietnam War. This cooperation started in the 1980s and has in many ways served as an icebreaker and confidence-builder that led to the normalization of diplomatic relations in 1995. As of April this year, 693 sets of remains have been recovered from sites inside Vietnam and returned to families for burial in the United States. Vietnam has also steadily lifted restrictions on sensitive areas once off-limits to our recovery teams.

We are committed to helping Vietnam resolve the problem of unexploded ordnance (UXO). Since 1998 the Department of State, with the support of Congress, has provided over \$35 million to assist with clearance and public education programs aimed at reducing injury and deaths. Our shared goal is to reduce UXO-related casualties in Vietnam. We also fund programs to help victims of explosive remnants of war with vocational training, provision of professionally made prosthetics, and other assistance.

Of all the issues associated with the war, addressing dioxin contamination is the most challenging. Last August, USAID broke ground on its project to remediate the dioxin hotspot at the former U.S. airbase in Danang. This project is one of the most expensive and complex remediation efforts the U.S. government has ever conducted overseas. Completing the Danang project will require the continued support of Congress and close cooperation with our Vietnamese partners. The United States hopes that in the near future we can work with the Vietnamese to put Agent Orange-related issues behind us.

Our forward-looking relationship with Vietnam manifests itself most clearly in our blossoming people-to-people relationships. We believe building these connections through exchange opportunities, cultural enrichment, and educational ties is key to establishing a broader partnership with Vietnam's people, 60 percent of whom were born after 1975. There are over 15,000 Vietnamese students studying in the United States this year, which makes Vietnam the eighth-largest sender of foreign students to U.S. schools. This is a dramatic change from 1995, when only 800 Vietnamese students were studying here. We also work closely with the Government of Vietnam and other partners on domestic education reform to strengthen English language proficiency and other skills that will produce the human capital necessary for Vietnam to participate more effectively in the global economy. Finally, our Fulbright program celebrated its 20th anniversary in 2012 and counts Foreign Minister Pham Binh Minh, Deputy Prime Minister Nguyen Thien Nhan, and Vietnamese Ambassador to the United States Nguyen Quoc Cuong

among its alumni. Fulbright and our other exchange programs build trust and mutual understanding, contributing to the full range of our strategic goals by boosting our ties with Vietnam's leaders and future leaders in all sectors of society.

We have an ambitious agenda with Vietnam, one that includes promoting free trade and economic reform, building cooperation to maintain peace and security in Southeast Asia, continuing to address war legacy issues, and strengthening our education and cultural links. In this testimony, I have tried to highlight that human rights is not a single stove-piped issue; rather it is an issue that permeates our entire policy approach and engagement with Vietnam. Simply put, our relationship will not reach its full potential until Vietnam does more to protect the human rights of its citizens and abide by its commitments under the Universal Declaration of Human Rights.

Deputy Assistant Secretary Dan Baer will provide more detail on our human rights diplomacy with Vietnam, but I would like to underscore that we are working hard with Vietnamese officials to reverse a trend over the last several years of increasing arrests and ever-harsher sentences, particularly for bloggers. Thus far in 2013, Vietnam has taken some positive steps on human rights, including releasing lawyer Le Cong Dinh (albeit with restrictions) and hosting a visit by Amnesty International in February. We hope to see more releases and outreach to human rights NGOs this year. On religious freedom, we were encouraged that Communist Party General Secretary Nguyen Phu Trong met with Pope Benedict during Trong's visit to the Vatican in January. We also hope that Vietnam can accelerate the registration of religious groups, particularly in the Central Highlands and Northwest Highlands.

This year we have witnessed a very lively debate by individuals from all sectors of Vietnamese society as Vietnam amends its constitution. The United States respects Vietnam's independence and sovereignty, and we believe that all of the Vietnamese people should have a voice in determining Vietnam's future. We urge Vietnam's leaders to provide an environment in which Vietnamese from all walks of life can peacefully and freely express their political views and have them taken into account. Such open debate and expression is essential to Vietnam's achieving the stable and prosperous future it richly deserves.

Thank you, Mr. Chairman. I welcome any questions you may have.