

116TH CONGRESS  
1ST SESSION

# H. R. 1376

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

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2019

Mr. LOWENTHAL (for himself and Mr. CHABOT) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## 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:

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

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

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

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

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

23           (6) The two sectors in Cambodia’s economy  
24 that benefits from GSP are garment and handbag  
25 production. The garment industry is the largest em-

1 ployer in Cambodia’s economy and accounts for  
2 nearly half of gross domestic product growth. The  
3 sector employs more than 700,000 Cambodians,  
4 most of whom are women. In 2018, Human Rights  
5 Watch warned that these women are often subjected  
6 to forced overtime and pregnancy-based discrimina-  
7 tion, and denied paid maternity leave.

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

16 (8) In October 2017, the Office of the United  
17 States Trade Representative (USTR) announced a  
18 new triennial process to assess GSP beneficiary  
19 country eligibility. The first assessment period cov-  
20 ered 25 Asian and Pacific Island GSP beneficiary  
21 countries. For each such country, USTR and other  
22 United States Government agencies examined the  
23 country’s policies and practices related to each of  
24 the 15 eligibility criteria established by Congress, in-  
25 cluding respecting arbitral awards in favor of United

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

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

20 (10) In its country-specific Cambodia report in  
21 2017, the Department of Labor stated: "When child  
22 labor inspections do occur, they are concentrated in  
23 the city of Phnom Penh, as well as in the provincial,  
24 formal-sector factories producing goods for export,  
25 such as textiles and garments."

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

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

19          (13) On February 11, 2019, the European  
20          Commission launched a procedure that could lead to  
21          suspension of Cambodia from EBA trade pref-  
22          erences. In the announcement the Commission stat-  
23          ed: “Following a period of enhanced engagement, in-  
24          cluding a fact-finding mission to Cambodia in July  
25          2018 and subsequent bilateral meetings at the high-

1 est level, the Commission has concluded that there  
2 is evidence of serious and systematic violations of  
3 core human rights and labour rights in Cambodia, in  
4 particular of the rights to political participation as  
5 well as of the freedoms of assembly, expression and  
6 association. These findings add to the longstanding  
7 EU concerns about the lack of workers' rights and  
8 disputes linked to economic land concessions in the  
9 country.”.

10 **SEC. 3. REPORT ON THE CONTINUING PARTICIPATION OF**  
11 **CAMBODIA IN THE GENERALIZED SYSTEM OF**  
12 **PREFERENCES.**

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

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

22 (A) a beneficiary developing country; or

23 (B) a least-developed beneficiary develop-  
24 ing country.

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

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

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

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

14                 and

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

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