COMMITTEE ON FINANCE NEWS RELEASE



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BAUCUS' JOBS BILL BOOSTING U.S. EXPORTS TO RUSSIA BECOMES LAW

Finance Chairman Calls on Russia to Drop Unscientific Barrier to U.S. Meat Exports

Washington, DC – Legislation authored by Senate Finance Committee Chairman Max Baucus (D-Mont.) boosting U.S. exports to Russia became law today, a week after he <u>led its overwhelming approval in the Senate</u>. The law helps American businesses, ranchers, farmers and workers capitalize on Russia's growing market – doubling U.S. exports to Russia within five years – by establishing permanent normal trade relations (PNTR) with Russia like every other World Trade Organization member country in the world has done. The law also includes the Magnitsky Act, which helps fight human rights abuses in Russia.

"This is a big win for U.S. exports and jobs. We're gaining access to a fast-growing market, and we give up nothing in return," Senator Baucus said. "American businesses, workers, farmers and ranchers are now on a level playing field with their global competitors looking to capitalize on the Russian market. With Russia in the World Trade Organization, we have new tools at our disposal to fight on behalf of American exporters."

Russia joined the World Trade Organization (WTO) in August, and as part of the WTO accession process, it lowered tariffs and increased market access for foreign businesses. Before now, American businesses have been prevented from fully capitalizing on the new market access, because the U.S. has not extended PNTR status to Russia. Senator Baucus' legislation puts American exporters on a level playing field with their competitors in Europe, China and the more than 150 WTO member nations. Additionally, the benefits of passing PNTR will be one-sided: the U.S. will not make any market access or tariff concessions to Russia as part of establishing PNTR or in connection with Russia's joining the WTO.

Thanks to the law taking effect, the U.S. also now has new trade enforcement tools at its disposal to resolve issues impeding American exports to Russia. For example, Russia announced it is instituting a non-scientific ban on U.S. pork and beef containing a widely used feed ingredient called ractopamine, despite international standards issued by food safety organizations concluding that it is safe to use. Baucus called on Russia today to accept sound science and drop the unfair barrier.

"The science is clear – our beef and pork exports are completely safe," Senator Baucus said. "Being a WTO member means Russia's import standards have to be based on sound science, but their plan to block U.S. beef and pork is anything but sound. I will keep up pressure on all sides and make sure we're using every available tool to get Russia to play by the rules."

The law also removes Russia from the 1974 Jackson-Vanik amendment. Congress originally passed Jackson-Vanik to push the Soviet Union to drop restrictions on the emigration of its Jewish

population. But with the Soviet Union gone and no such restrictions in existence in Russia today, Jackson-Vanik is a relic of the past. The Russia PNTR law takes new steps to address human rights violations in Russia, punishing those responsible for acts such as the death of anti-corruption lawyer Sergei Magnitsky and others by restricting their U.S. visas and freezing their U.S. assets. The law has broad support among Russian human rights and democracy activist groups.

In addition, the law grants PNTR status to the Republic of Moldova, allowing greater U.S. trade with the Eastern European nation.

Senator Baucus has long fought for a robust trade agenda that supports American jobs through strong enforcement of current agreements and an aggressive pursuit of new markets. In February, <u>he traveled to Russia</u> to pursue new trade opportunities for U.S. businesses, workers, ranchers and farmers. While <u>meeting with European</u> leaders on economic issues this fall, he pressed them to drop their unscientific ban on U.S. meat exports containing ractopamine. Taiwan <u>dropped its ban</u> on U.S. beef exports containing ractopamine after Senator Baucus pushed them to do so last year. He also recently <u>traveled to Japan and New Zealand</u> to meet with senior economic and trade leaders and discuss key issues surrounding the Trans-Pacific Partnership free trade agreement.

The Senate Finance Committee has jurisdiction over international trade issues.

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