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BAUCUS, THUNE, KERRY, MCCAIN UNVEIL BILL ENABLING U.S. BUSINESSES TO BOOST EXPORTS TO RUSSIA, CREATE JOBS AT HOME

Finance, Foreign Relations Leaders Announce Plan to Advance Human Rights Legislation with Trade Bill

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.), International Trade Subcommittee Ranking Member John Thune (R-S.D.), Foreign Relations Committee Chairman John Kerry (D-Mass.) and Armed Services Committee Ranking Member John McCain (R-Ariz.) **unveiled legislation today** to enable American businesses to pursue new job-creating export opportunities in Russia when it joins the World Trade Organization (WTO) this summer. The legislation establishes permanent normal trade relations (PNTR) with Russia and repeals the 1974 Jackson-Vanik amendment, steps which are required for American businesses to capitalize on the new market access in Russia. Establishing PNTR will provide a boost to the U.S. economy, doubling American exports to Russia in just five years and helping create jobs across every economic sector – services, manufacturing and agriculture included.

“This is an opportunity to double our exports to Russia and create thousands of jobs across every sector of the U.S. economy, all at no cost to the U.S. whatsoever. We give up nothing as part of this process – not one single tariff reduction – so it’s truly a one-sided benefit for the U.S.,” Baucus said. **“Jackson-Vanik served its purpose during the Cold War, but it’s a relic of another era that now stands in the way of our farmers, ranchers and businesses pursuing opportunities to grow and create jobs. We owe it to American workers and businesses to enable them to take advantage of the doors opening in Russia. This bill will give our businesses and workers the level playing field they need to succeed against foreign competition. The clock is ticking for us to move, so we need to act now.”**

“Russia’s entry into the WTO later this summer will increase export opportunities for U.S. producers, especially American agriculture,” said Thune. **“Presidents of both parties have granted Russia normal trade relations status on a yearly basis since 1992 and it is time to establish this treatment on a permanent basis so that American farmers, manufacturers, investors, and service providers will have the ability to take full advantage of the new business opportunities resulting from Russia’s entry into the WTO. This legislation will ensure that Russia’s commitments upon entering the WTO are enforced and ensure that American businesses are on an equal playing field in the Russian market.”**

“This is an effort to make sure that the United States isn’t left behind. We cannot afford to dither, delay, and deny ourselves the job creation and major export opportunities that come from passing PNTR. If we do, our global competitors will continue to benefit from favorable treatment in the Russian market while America is on the sidelines clinging to an outdated policy of a different era,”

Kerry said. **“We have to send the market and businesses a signal that America will not allow congressional inaction to put ourselves at a commercial disadvantage. We will have an opportunity during this debate to make real progress on the human rights and democratic reform agenda as well.”**

“This important legislation will ensure that U.S. workers and businesses can take full advantage of freer trade with Russia as it accedes to the World Trade Organization,” McCain said. “While I recognize there are significant concerns about the climate for foreign businesses and investors in Russia that the Finance Committee may want to address, this legislation is the critical first step. At the same time, as I and others have made clear, the extension of Permanent Normal Trade Relations status and the repeal of the Jackson-Vanik amendment for Russia must be accompanied by passage of the Magnitsky Act (S.1039). I appreciate Senator Baucus’s written commitment that he will work for Senate passage of both of these pieces of legislation as soon as possible this year. As we take steps to liberalize U.S. trade with Russia, as we should, we must also maintain our long-standing support for human rights and the fight against corruption in Russia.”

Russia is expected to join the WTO formally this summer, regardless of any action Congress does or does not take. As part of the accession process, Russia will lower tariffs and increase market access for foreign businesses from countries that have permanent normal trade relations with it. Congress must pass legislation establishing PNTR by the time Russia joins the WTO for the United States to enjoy the full economic benefits.

U.S. exports to Russia currently total \$9 billion per year, and one recent study predicted that number would double within a half-decade following PNTR. Russia is already the world’s sixth-largest economy, and it could outgrow Germany and Japan by 2040, meaning the long-run gains of increased exports there would be even greater.

Unlike a free trade agreement, the United States will not provide any market access benefits, lower any U.S. tariffs, or make other changes to our trade laws as a result of Russia’s WTO accession. PNTR simply allows American businesses to take advantage of Russia’s concessions. These will include: additional market access for U.S. service providers; intellectual property enforcement; higher quotas for U.S. beef, poultry and pork producers; decreased domestic agriculture subsidies; science-based sanitary and phytosanitary (SPS) measures; and dispute settlement to enforce WTO rules.

Baucus also [sent a letter](#) regarding the Magnitsky Act to Senators McCain, Cardin (D-M.D.), Wicker (R-M.S.), and Lieberman (I-Conn).

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