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Michigan Senator Questions Car Parts Quotas in WTO Bid

By The Moscow Times

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WASHINGTON — A U.S. senator from a major auto-producing state urged the top U.S. trade official to demand Russia drop barriers to American cars before being allowed to join the World Trade Organization.

"Russia requires that automakers produce an arbitrary number of vehicles in Russia each year in order to avoid high tariffs on imported auto parts," Senator Debbie Stabenow, a Michigan Democrat, said Wednesday in a letter to U.S. Trade Representative Ron Kirk.

"This unfair trade practice reduces U.S. automobile exports to Russia by putting American-made vehicles at a distinct disadvantage," Stabenow said.

Moscow now requires an automaker produce at least 300,000 cars per year in Russia to qualify for the reduced auto parts tariffs, compared with 25,000 when the program began in 2005, Stabenow said.

Russia is the largest economy still outside the WTO and hopes to finish its 18-year bid to join the world trade body by the end of the year.

However, as talks come closer to conclusion, Prime Minister Vladimir Putin has said U.S. and European Union demands that Russia drop auto assembly requirements aimed at boosting local production are a "red line" that the country will not cross to join the WTO.

"This position should not be tolerated," Stabenow said.

"Because Russia's discriminatory production requirements would be illegal if Russia is bound by normal WTO rules, Russia should not be allowed to maintain this practice while negotiations continue or during any transition period should Russia join the WTO."

A spokeswoman for the U.S. Trade Representative's office said Stabenow's input was appreciated.

"We continue to work with Russia to ensure our concerns with the WTO-inconsistent elements of its automotive investment program are addressed in a satisfactory manner," the spokeswoman said.

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