

High-Ranking U.S. Senator Talks Trade

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Max Baucus

A top U.S. senator has strongly touted the repeal of the Jackson-Vanik amendment on a trip to Russia, raising the prospect that the removal of the long-time irritant in bilateral ties will gain greater traction in Congress.

Senate Finance Committee chairman Max Baucus met President Dmitry Medvedev and several Cabinet ministers, repeatedly stating afterward that the United States had to grant Russia the status of a normal trade partner.

"Passing permanent normal trade relations for Russia gives us access to the Russian market without the United States giving up anything in return," Baucas said in a statement Wednesday, the final day of his visit.

Jackson-Vanik, a Cold War-era amendment to encourage free emigration from the Soviet Union, prevents that status of relations and would restrict the United States in expanding its exports to Russia after Russia wraps up the formalities to enter the WTO this summer. "If by that point Congress has not passed legislation providing Russia with permanent normal trade relations ... U.S. businesses could lose out on lucrative business opportunities," the statement said.

Baucus' trip follows the announcement by U.S. President Barack Obama in November that the U.S. administration was starting consultations with Congress on repealing the amendment.

On Wednesday, Baucus went to see a John Deere plant near Moscow that assembles farming equipment and said more U.S. businesses could follow in its footsteps, should Congress act on trade with Russia.

In the beginning of his trip, Baucus met with President Medvedev and the Cabinet's economic strategists First Deputy Prime Minister Igor Shuvalov and Economic Development Minister Elvira Nabiullina — all of whom likely argued for the repeal of Jackson-Vanik.

"Russia now needs to end its unscientific barriers to agricultural products like beef, poultry, pork and dairy, and it needs to improve enforcement of intellectual property rights," Baucus said in a separate statement after the meeting. "Establishing permanent normal trade relations with Russia would be a major boost for our exports and will help us address these serious issues in the WTO."

After a later meeting with Agriculture Minister Yelena Skrynnik, Baucus elaborated on the "unscientific barriers," stating that Russia's sanitary and phytosanitary policies place strict, unnecessary requirements that are outside normal industry practices on production processes and facilities, hurting American poultry, pork and dairy exports.

Baucus also collected further proof of potential benefits of normal trade ties with Russia from the American Chamber of Commerce in Russia, or AmCham, that hosted a roundtable with him and chiefs of Russian operations for 10 American companies Tuesday.

"We hope that Congress will act quickly on this trade issue. I believe we made a strong case this morning," the statement quoted AmCham president Andrew Somers as saying.

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