

U.S. Senate Committee Previews Trade Debate

By [The Moscow Times](#)

March 10, 2012

The  Moscow Times

WASHINGTON — U.S. lawmakers disagreed over President Barack Obama 's push for legislation this year to strengthen trade ties with Russia by repealing a largely symbolic Cold War provision that conflicts with global trade rules.

The discussion during a Senate Finance Committee hearing on Obama's trade agenda on Wednesday previewed what is expected to be an intense debate this year over approval of permanent normal trade relations, or PNTR, with Russia in light of concerns in Congress over Moscow 's human rights record and foreign policy aims.

Committee Chairman Max Baucus , a Democrat who recently visited Moscow , said approval of the trade measure by lifting a 1974 provision known as the Jackson-Vanik amendment could double U.S. exports to Russia in five years.

Failing to act would put U.S. companies at a competitive disadvantage because it would allow

Russia to deny them some of the market-opening benefits that Moscow has agreed to make to join the World Trade Organization .

"If we don't pass PNTR by this summer, U.S. companies will lose out to competitors in China , Europe and the 150 other members of the WTO," the Montana Democrat said at the hearing. "We simply can't let that happen."

The top Republican on the Finance panel, Senator Orrin Hatch, criticized Obama for focusing on Russia instead of pursuing broader legislation to give the White House enhanced authority to negotiate new trade deals with other countries.

"The president would have Congress pass PNTR and ignore Russia 's rampant corruption, theft of U.S. intellectual property, poor human rights record and adversarial foreign policies for a market that amounts to 0.05 percent of U.S. exports," Hatch said.

Hatch did not mention Sunday's presidential election in Russia , which critics say was heavily tilted in favor of the victor, Prime Minister Vladimir Putin . But he criticized the Obama administration for holding Moscow to a lower standard than other trade partners.

"We hear a lot of rhetoric about how the president will only pursue trade policies consistent with his values, especially when it comes to the labor policies of our democratically elected friends in Latin America . But somehow those values vanish in the context of Russia , a corrupt and autocratic regime," Hatch said.

Democratic Senator Ben Cardin said he intended to use the vote on permanent normal trade relations to advance legislation that would deny U.S. visa privileges to Russian officials involved in gross human rights violations. Although the State Department has taken action on that front, "there's more that needs to be done," Cardin said at the hearing.

U.S. Trade Representative Ron Kirk said the administration shares lawmakers' concerns about human rights in Russia , but sees the need to move on "parallel tracks."

"We will continue to engage and press Russia on issues of human rights. But when it comes to Russia 's entry into the World Trade Organization, which they will do later this summer, it's equally important that we lift the Jackson-Vanik restrictions so that our farmers, ranchers and businesses aren't put at a competitive disadvantage," Kirk told the panel.

Congress passed the Jackson-Vanik amendment at the height of the Cold War in 1974. The legislation tied trade relations with the former Soviet Union to the rights of Jews and other religious minorities to emigrate freely.

Russia has been judged in compliance with the provision since at least the 1990s.

Both Baucus and Kirk stressed the one-sided nature of the PNTR legislation, noting that it only repeals the Jackson-Vanik amendment and does not require the United States to make any changes to its tariffs or other trade laws.

Also, once Russia is in the WTO, the United States can use that forum to litigate trade disputes with Russia , an option that it does not have now.

"It is decidedly in our interest to address this," Kirk told the panel.

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