

GE, Deere Want Trade Restrictions Dropped

By [The Moscow Times](#)

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WASHINGTON — The Obama administration should establish normal trade relations with Russia to help companies compete in one of the world's fastest-growing markets, said Ronald Pollett, president of General Electric's Russian unit.

Taking such a step would also help the United States resolve trade disputes with Russia through the World Trade Organization, Pollett said late last week in an interview after testifying before the Senate Finance Committee in Washington.

"It's one of the fastest-growing emerging markets," Pollett said. "We're very interested in the oil and gas market, the energy market, the transportation market — which is locomotives, aviation and health care. Those are our five big opportunities over there."

The Senate might take up legislation "within a couple of months" repealing the 1974 Jackson-Vanik law preventing the United States from granting permanent normal trade relations,

Senator Max Baucus, a Montana Democrat and committee chairman, said in an interview.

Pollett and Samuel Allen, chairman and chief executive of Deere, urged senators at the hearing to normalize trade with Russia.

GE, of Fairfield, Connecticut, reported \$1.6 billion in sales in the nation last year, which may triple by 2020 if the nation is granted the trade status, Pollett said.

Lacking the status, "the United States would have no recourse to WTO dispute settlements should disputes arise, and could also face a more challenging trade environment," Pollett said.

Deere, of Moline, Illinois, had \$800 million in sales in Russia last year and expects its market share will increase fivefold, Allen said, without providing a timeline.

Russian tariffs on Deere-made farm equipment might drop to 5 percent from 15 percent after the nation joins the WTO, Allen said. Tariffs on GE's aircraft engines may drop to 5 percent from 20 percent and on medical diagnostic equipment to 4.3 percent from 15 percent, Pollett said.

Four U.S. senators said in a letter to Baucus on Friday that they will back the Obama administration push to repeal the Jackson-Vanik law, but only if it is replaced by legislation sanctioning Russian officials for human rights violations.

The Obama administration has opposed linking repeal to legislation targeting Russian officials.

But the support of senators from both parties would boost prospects for Senate passage of the repeal.

The letter was signed by Democrat Benjamin Cardin, independent Joseph Lieberman and Republicans John McCain and Roger Wicker. The inclusion of McCain signals an opening for the administration, if it is willing to accept the sanctions legislation.

Cardin is the author of the sanctions bill, called the Sergei Magnitsky Rule of Law Accountability Act, named after a lawyer who died of an untreated illness in late 2009 after spending almost a year in a Russian jail. McCain is a sponsor as well. It would subject Russian officials to travel bans and bar them from financial transactions in the United States.

"While some in the Russian government may be upset if the United States adopts the Magnitsky bill, we believe most Russians will be happy to see us deny the most abusive and corrupt individuals in their country the ability to travel and move their ill-gotten wealth overseas," the senators wrote.

(Bloomberg, AP)

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