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Normal Trade Relations Pass Congressional Committee

By The Moscow Times

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A key congressional committee voted overwhelmingly Thursday to lift a Cold War-era restriction on trade with Russia, raising U.S. businesses' hopes that the full Congress will approve the measure before lawmakers leave town next week.

The House of Representatives Ways and Means Committee, on a bipartisan voice vote, approved the bill, which would ensure that U.S. companies share in the full benefits of Russia's entry into the World Trade Organization on Aug. 22.

"We give up nothing with this legislation, not a single U.S. tariff, but we would obtain a powerful new enforcement tool and important rights" for U.S. companies in one of the world's biggest emerging economies, said committee Chairman Dave Camp, a Republican.

It does that by establishing permanent normal trade relations, or PNTR, between the two countries and repealing a 1974 provision known as the Jackson-Vanik amendment, which tied

favorable U.S. tariff rates to the rights of Jews in the former Soviet Union to emigrate freely.

After the committee vote, Camp told reporters that before bringing the bill up on the House floor, Republicans want assurances from the Democratic-controlled Senate that revenue provisions will not be added to the bill in that chamber.

Camp said he was optimistic that could be done soon. But Representative Sander Levin, the top Democrat on the Ways and Means panel, said it could be difficult to finish work before the August congressional recess.

The Jackson-Vanik amendment is at odds with WTO rules requiring members to give equal treatment to exports from all other members on an unconditional basis.

If Congress does not act, Moscow could deny U.S. firms some of the market-opening concessions it made to join the WTO, putting those companies at a disadvantage against foreign competitors in one of Europe's fastest-growing economies.

"It would be the height of irresponsibility to have a situation where our Chinese competitors have more rights to compete in the Russian market than American companies, and we've got to make sure that doesn't happen," said Bill Lane, director of government affairs for Caterpillar.

PNTR legislation passed last week by the Senate Finance Committee tackled some of those concerns by including the so-called "Magnitsky bill," named for an anti-corruption Russian lawyer who died in 2009 after a year in Russian jails.

Both Camp and Levin said they expect similar provisions to be added to the House bill before it comes up for a floor vote.

The provision would direct the U.S. State Department to publish the names of and deny visas to the people considered responsible for the detention, abuse and death of Sergei Magnitsky, and it calls for the Treasury Department to freeze their assets.

It would also punish other human rights abusers in Russia or anywhere in the world.

Moscow strongly opposes the Magnitsky bill, saying the last thing it wants is for the anti-Soviet Jackson-Vanik amendment to be replaced with new anti-Russian legislation.

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