



# Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release  
Wednesday, December 14, 2005

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## **BAUCUS AGAIN WARNS ADMINISTRATION ON RUSSIA WTO TALKS**

*Senator Says Commercial Interests, Not Politics, Must Drive Negotiations*

*Washington, DC* - Today, Senator Max Baucus, Ranking Democratic Member of the U.S. Senate Finance Committee, again warned President George Bush's administration not to rush bilateral talks on Russia's membership in the World Trade Organization (WTO).

**"It would be outrageous to tolerate policies that hurt U.S. companies and workers, just so that we can meet an arbitrary political deadline for closing WTO talks,"** Baucus said. **"Russia has made some reforms, but it still falls far short on protecting intellectual property rights and removing barriers to its agricultural, financial services, and aerospace markets."**

Russia has remained on the United States Trade Representative's Special 301 Priority Watch List of international property rights (IPR) violators since 1997. Inadequate action by Russian authorities allows piracy rates to remain above 70 percent, costing U.S. companies billions of dollars. Just one week ago, an Administration official testified to Congress that copyright and trademark enforcement in Russia "continues to be a significant problem."

**"IPR protection in Russia is bad and getting worse. For years, our companies have been losing billions to intellectual property theft, and Russian authorities have done little to stop it,"** said Baucus.

Baucus also noted that U.S. agricultural exports have difficulty getting into Russian markets, hampered by high tariffs and burdensome sanitary and phytosanitary (SPS) regulations. Russian **also maintains** onerous **restrictions** on the participation of American financial services companies – including insurance, banking, and securities – **in its market**. U.S. aerospace industry exporters also face market access problems, including discriminatory tariffs and quotas.

**"In these negotiations with Russia, as with any negotiation, I expect American farmers, ranchers, businesses and workers to come first. Without commercially meaningful concessions in agriculture, financial services, and aerospace, our exporters aren't getting a fair shake."**

Senator Baucus has previously warned the Bush Administration not to rush WTO talks with Russia. In April 2005, Baucus and Senate Finance Committee Chairman Charles Grassley sent a letter to USTR urging the Administration to resolve a number of outstanding trade concerns before closing the negotiations. Baucus noted that under Title IV of the Trade Act of 1974, Congress must approve granting Russia permanent normal trade relations (PNTR) as part of any deal.

**"Congress expects any agreement with Russia to have a commercially meaningful outcome. I don't think we're there yet. Under current circumstances, the obstacles to a successful PNTR vote appear insurmountable."**

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