



FOR IMMEDIATE RELEASE

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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Permanent Normal Trade Relations with Russia**

As prepared for delivery

It's baseball season, and we should remember the old baseball adage "keep your eye on the ball."

The ball here is jobs. Russia's accession to the World Trade Organization this summer will mean thousands of jobs here in the United States – but only if we pass Russia Permanent Normal Trade Relations legislation by August.

As we heard from business and human rights leaders in our March hearing, the economic case for PNTR is clear. Russia is the seventh-largest economy in the world. It is the largest economy currently outside the WTO. Regardless of what we do here in Congress, Russia will join the WTO this summer.

We have a choice. If we do nothing, the 154 other countries in the WTO will gain new access to Russia's growing market. We'll be left on the sideline. American workers, businesses, farmers and ranchers will lose out to their competitors in China and Europe.

But if we do pass Russia PNTR, U.S. exports to Russia are projected to double within five years, and that means thousands of new jobs here at home.

These new jobs come at no cost to us – zero. Unlike a free trade agreement, we do not lower any of our tariffs, and we do not change any of our trade laws. This is a one-sided deal in America's favor, but only if we act.

That's why I introduced Russia PNTR legislation last week with Senators Thune, Kerry and McCain. The bill establishes permanent normal trade relations with Russia, and it removes Russia from the 1974 Jackson-Vanik amendment.

Passing PNTR will ensure U.S. aircraft and automotive exporters benefit from lower Russian tariffs. It will mean U.S. service providers gain access to Russia's telecommunications and banking markets. And it will guarantee U.S. farmers and ranchers greater access to the Russian market, including a generous U.S.-specific beef quota of 60,000 metric tons.

That's why U.S. exporters strongly support PNTR. More than 30 U.S. companies, agricultural groups and trade associations issued statements just last week urging Congress to quickly enact the Russia PNTR bill. I am entering a list of these organizations into the hearing record.

Jewish organizations in both the U.S and Russia also strongly support PNTR. Congress originally passed the Jackson-Vanik amendment in response to the Soviet Union's emigration restrictions on its Jewish citizens.

These restrictions no longer exist, and Russia has fully complied with Jackson-Vanik for nearly twenty years. That's why the American Israel Public Affairs Committee and other leading Jewish organizations have urged Congress to quickly enact our PNTR bill. I am entering a letter from these groups into the record as well.

And I am entering into the record a letter from six former U.S. Trade Representatives of both parties who believe we must enact PNTR – and that we must do so by August.

By keeping the focus on U.S. jobs, I am by no means suggesting we ignore the host of difficult issues we face with Russia. We must address the human rights, democracy and foreign policy concerns. The United States has other tools to address those concerns. And where those tools are not adequate, we should improve them.

That's why I have pledged to support Senator Cardin's human rights bill. The bill would punish those responsible for the death of anti-corruption lawyer Sergei Magnitsky, and others who commit human rights violations, by restricting their U.S. visas and freezing their U.S. assets. Nine Members of the Finance Committee have co-sponsored this important piece of legislation. The Foreign Relations Committee is marking it up next Tuesday.

As I said in a letter to Senators Cardin and McCain last week, I will add the Magnitsky bill to our PNTR bill when we mark it up in this Committee. Passing the Magnitsky bill along with PNTR will help promote the goals of both bills.

Russia's Syria policy also continues to be a problem. Moscow's support for Assad, despite his regime's gross human rights violations, is simply indefensible. But like my colleague Senator McCain said, this issue should be dealt with separately from PNTR. Secretary of State Clinton echoed that yesterday in her op-ed in the Wall Street Journal.

PNTR is no gift to Russia. And for U.S. jobs, we need to keep our eye on the ball. Failing to pass PNTR won't help Syria. It will only harm U.S. exporters and the jobs they create.

The United States also has lingering economic concerns with Russia, including inadequate intellectual property enforcement and restrictions on our agricultural exports. If we pass PNTR however, WTO rules will require Russia to enforce U.S. intellectual property rights and remove barriers to our agricultural exports. And if Russia fails to do so, we can use the WTO's binding legal enforcement procedures. But if

we fail to pass PNTR, we will be stuck with the status quo. None of these additional tools will be available to hold Russia accountable.

America needs the jobs that PNTR will bring. So let us be ready when Russia joins the WTO this summer. Let us not lose out to the competition. Let us remember to keep our eye on the ball and pass PNTR before August.

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