# Jackson Vanick Answers

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# Uniqueness

#### Jackson Vanik won’t pass congress

Vicki Needham, Staff Writer, 7-18-2012, “Senate Finance unanimously approves bill to normalize trade with Russia,” The Hill, “http://thehill.com/blogs/on-the-money/1005-trade/238715-senate-finance-unanimously-approves-russia-trade-bill-“

Senators cleared the first hurdle to extending permanent normal trade relations to Russia on Wednesday amid uncertainty about the chances of moving similar legislation through the House. The Senate Finance Committee unanimously approved a measure combining a repeal of Jackson-Vanik, an obsolete Cold War-era provision, with a human-rights measure that would punish Russian officials involved in the death of whistleblowing lawyer Sergei Magnitsky. But division between the House and Senate, combined with a tight deadline, has cast doubt on whether Congress will pass a trade bill before Russia joins the World Trade Organization next month.

Unless Congress acts to normalize relations, U.S. businesses could be at a disadvantage against foreign competitors that sell to Russia.

## Jackson Vanik Won’t Pass

### JV Magnitsky Won’t Pass- AT Baucus

#### Baucus capital isn’t sufficient to push through the senate – even he admits there won’t be a vote

Vicki Needham, Staff Writer, 7-18-2012, “Senate Finance unanimously approves bill to normalize trade with Russia,” The Hill, “http://thehill.com/blogs/on-the-money/1005-trade/238715-senate-finance-unanimously-approves-russia-trade-bill-“

 “By enacting [permanent normalized trade relations] together with the Magnitsky bill, we are replacing Jackson-Vanik with legislation that addresses the corruption and accountability issues that Russia confronts today,” Senate Finance Committee Chairman Max Baucus (D-Mont.) said. Baucus argued that the show of bipartisan support — he and ranking member Orrin Hatch (R-Utah) hammered out a compromise — could boost the bill’s chances. He expressed optimism that the Senate would vote on the measure before Russia joins the World Trade Organization, but conceded that Senate leadership hasn’t indicated whether it will take up the bill. Senate Majority Whip Dick Durbin (D-Ill.) cast doubt on holding a vote before the August recess. “I have not heard it discussed in terms of being scheduled before the recess,” he told The Hill.

### JV/Magnitsky Won’t Pass – AT Lobbies

#### Lobbyists pushing against Magnitsky

Vicki Needham, Staff Writer, 7-18-2012, “Senate Finance unanimously approves bill to normalize trade with Russia,” The Hill, “http://thehill.com/blogs/on-the-money/1005-trade/238715-senate-finance-unanimously-approves-russia-trade-bill-“

Another business group, the National Foreign Trade Council (NFTC), supports the trade-relations bill but is still opposed to the Magnitsky language. The measure, “which addresses legitimate human-rights concerns, contains a number of problematic provisions that will unnecessarily complicate U.S.-Russia relations and create a new global unilateral sanction regime for the U.S. government to use against virtually any foreign person for vaguely defined reasons,” said NFTC President Bill Reinsch.

#### JV/Magnitsky won’t pass the Senate or the House – definitely not before August

Tom Barkley, Senate Advances Trade Bill on Russia, 7-18-2012, “Senate Advances Trade Bill on Russia”“http://online.wsj.com/article/SB10000872396390444330904577535041366804320.html?mod=googlenews\_wsj,”

Sen. Richard Durbin (D., Ill.), the assistant majority leader, said that there had been no discussions among Senate Democratic leaders about bringing the bill to the floor for a vote before the August recess. Mr. Durbin said he hadn't made up his mind whether to support the measure, saying he had a range of concerns about Russia, starting with its tacit support for Syria. A Senate Democratic aide said the bill would almost certainly pass eventually, but it was doubtful whether it would happen before the summer break. The aide said some Democratic lawmakers have concerns related to organized labor in Russia that are making them uneasy about supporting legislation normalizing trade relations with the former Cold War foe. Still, the bill's chances are helped by its bipartisan support."I strongly urge the majority leader to take up this bill quickly in order to help create more American jobs and ensure American businesses stay competitive world-wide," said Sen. Roy Blunt (R., Mo.), a member of the Senate Republican leadership team. The House has shown even less urgency, despite a show of support for the bill last week from 73 Republican freshman lawmakers. House Ways and Means Committee Chairman Dave Camp (R., Mich.), who has been trying to work with the White House to line up a Democratic sponsor for the bill, said he expects a bill to be introduced in the next few days.

# Impacts

## Magnitsky Bad

### Magnitsky Hurts U.S.-Russian Relations

#### Magnitsky blacklist kills US-Russia relations

Rian News, 7-18-2012, “U.S. Senate Committee Approves Jackson-Vanik, Magnitsky Bill,” “http://en.ria.ru/world/20120718/174669701.html”

The Senate began studying the issue in mid-March and also amendments from Maryland Senator Ben Cardin, including proposals for visa sanctions against Russians allegedly involved in the death of Sergei Magnitsky, a tax lawyer working for the Hermitage Capital investment company, who died in custody in Russia in 2009. Magnitsky was arrested on tax evasion charges in November 2008, days after accusing police investigators of involvement in a $230-million tax refund fraud, and died after almost a year in the Matrosskaya Tishina pre-trial detention center in Moscow. Russian investigators in turn accused Magnitsky and Hermitage of tax evasion. Last week, a group of Russian senators went to the United States to present what they claimed was new evidence of Magnitsky and Hermitage’s guilt. A probe into his death revealed that the lawyer, who was suffering from untreated pancreatitis and a heart condition, did not receive proper medical treatment. Rights activists pointed to multiple violations of his rights during his arrest and in detention, including signs that he was beaten by prison guards hours before his death. Russia has warned it will respond to the adoption of the Magnitsky bill in kind, imposing restrictions on U.S. officials. The U.S. State Department issued visa bans on several dozen Russian officials in connection to the Magnitsky case in July 2011. In response, Russia has imposed travel bans on several U.S. officials. A group of influential U.S. senators, including former Republican presidential candidate John McCain, proposed in mid-March canceling the Jackson-Vanik Amendment but simultaneously adopting the Magnitsky bill. The Jackson-Vanik Amendment, passed in 1974, barred favorable trade relations with the Soviet Union because it would not let Jewish citizens freely emigrate. The restrictions imposed by Jackson-Vanik are often waived, but remain in place and are a thorn in the side of Russia-U.S. trade relations. The Magnitsky case, along with the Jackson-Vanik Amendment and the rift over the Syrian crisis, is a major stumbling block in the “reset” of U.S.-Russian relations. The Obama administration, which has been evasive about the proposed legislation, said on June 18 it considers it necessary to distinguish between the adoption of the Magnitsky blacklist and the repeal of the Jackson-Vanik Amendment.

#### Magnitsky will crush relations --- collapses the U.S. economy

Martin Sieff, Former Senior Foreign correspondent for the Washington Times, 6-20-2012, “ ‘Magnitsky’ plan put forth by Congress to punish Russia is a dangerous move,” Fox News, <http://www.foxnews.com/opinion/2012/06/20/magnitsky-plan-put-forth-by-congress-to-punish-russia-is-dangerous-move/>)

Cheap demagoguery and policies based on tabloid emotionalism make for bad – even dangerous foreign policy. The progress of what's known as "the Magnitsky Bill" through Congress is a classic example of this. In order for enough Republican and Democratic congressman to pose in their ignorance as “tough” they are enraging the public and leadership of a thermonuclear superpower (with 500 more warheads than the United States has, according to the Federation of American Scientists Nuclear Information Project.) and badly hurting the prospects for American business. The Magnitsky Bill will heavily penalize Russia and Russian nationals for the death, in custody, in St Petersburg of Sergei Magnitsky – a lawyer for Hermitage Capital who had accused police and tax officials of embezzling $230 million. He was found dead in his cell in highly suspicious circumstances. An independent investigation by the Kremlin’s own Human Rights Council concluded that he had in effect been murdered – that he had died of his injuries after being beaten by prison guards. A doctor in the jail is currently facing a charge of negligence connected with Magnitsky’s death. And the State Department has already banned several dozen Russian individuals whom, it said, were implicated in it. These moves angered the Russian government, which has responded by barring several US officials in its turn from entering Russia. Even this response, largely taken by the Obama administration in a vain bid to head off the imposition of far tougher congressional measures aimed at Russia, was a dangerous piece of over-reaction. But the Magnitsky Bill is vastly more dangerous. At a time when the United States is financially weaker and more militarily over-extended around the world than it has been for 40 years, this legislation could help turn Russia, a potential hugely important and constructive partner for the United States, into a dire enemy.

### Magnitsky Hurts U.S.-Russian Relations

#### Magntisky is the red line for US/Russian relations

Radio Free Europe/Radio Liberty, 4-12-2012, Lavrov warns Magnitsky bill would hurt U.S.-Russia relations, p. <http://www.rferl.org/content/us_russia_magnitsky/24545755.html>

Russian Foreign Minister Sergei Lavrov says legislation proposed by U.S. senators on the death in prison of lawyer Sergei Magnitsky would hurt bilateral relations. Magnitsky, 37, died in pretrial detention in 2009 after implicating top Russian officials in a scheme to defraud the government. He was routinely denied medical help in prison. This week, Russia dropped charges against one of two prison doctors accused of causing Magnitsky's death through negligence. The proposed U.S. legislation envisages sanctions against Russian officials deemed to have committed human rights violations. It would replace the 1974 Jackson-Vanik Amendment limiting trade with the Soviet Union, which has not been formally repealed. Lavrov, speaking at a news conference after a Group of Eight (G8) meeting in Washington on April 11, slammed the bill as "anti-Russian" and an attempt at "meddling" in Russia's internal affairs. He said that would be "categorically unacceptable" for Russia. "The American side knows our position on attempts to replace Jackson-Vanik with something new," he said, "and transform an anti-Soviet amendment into anti-Russian legislation. Such attempts are categorically unacceptable for us. This will hurt our relations rather seriously because the Magnitsky case is, first and foremost, a Russian issue." Jackson-Vanik has long been a thorn in U.S.-Russian relations.

#### Hurts overall US/Russian cooperation

Bloomberg, 4-23-2012 (Russian Ambassador Says U.S. Rights Bill May Undermine Relations, p. http://www.bloomberg.com/news/2012-04-23/russian-ambassador-says-u-s-rights-bill-may-undermine-relations.html)

An effort by Congress to link a human-rights bill to legislation granting Russia normal trade status may undermine Russian-U.S. relations, the Russian ambassador to the U.S. said. Proposals for travel and financial restrictions to counter the use of violence to quash anti-corruption efforts in Russia infringe on the nation’s sovereignty, Ambassador Sergey Kislyak said yesterday at a luncheon for journalists at his residence in Washington. “If anything of the type is adopted, there will be significant reaction,” he said. “In Russia, I cannot predict the way we will react, but I’m certain that it would undermine” the ability to work together “on a number of issues.”

### Magnitsky Hurts Iran Negotiations

#### Magnistky passage would hurt US/Russian relations and exports --- spills over to Iran cooperation

The Moscow Times, 6-6-2012, “U.S. Business Groups Speak Out Against ‘Magnitsky’ Sanctions” http://www.themoscowtimes.com/business/article/us-business-groups-speak-out-against-magnitsky-sanctions/460003.html)

A bill to punish Russian officials for alleged human rights abuses would badly damage U.S.-Russian ties and hurt U.S. exports, business groups said Tuesday, two days before a key congressional panel will vote on the measure. The bill would require the United States to deny visas and freeze the assets of Russians linked to the detention and death of Sergei Magnitsky, an anti-graft lawyer who died in a Russian jail in 2009 under suspicious circumstances. The legislation is expected to win approval Thursday in the House of Representatives Foreign Relations Committee, clearing the way for the full House to take up the measure, either on its own or as part of a trade bill. Bill Reinsch, president of the National Foreign Trade Council, whose members include major U.S. exporters such as Boeing, Microsoft and Caterpillar, told reporters Tuesday the Magnitsky bill was "seriously flawed." He argued it would make it even harder to get Russia's cooperation on issues ranging from Iran's nuclear ambitions to Syria's bloody crackdown on dissent. U.S. companies also fear they will lose sales coming from Russia's entry into the World Trade Organization because Moscow will retaliate by turning to other suppliers, Reinsch said.

### Magnitsky Outweighs Jackson Vanik

#### Repealing Jackson Vanik doesn’t solve relations because its tied to Magnitsky

The Voice of Russia, 7-21-2012, “Jackson-Vanik 2.0,” The Voice of Russia, http://english.ruvr.ru/2012\_07\_21/Jackson-Vanik-2-0/

 Still, the US Senate Finance Committee approved last week a bill that ties the repeal of the Jackson-Vanik amendment with the adoption of the so-called Magnitsky Act. The bill provides for slapping sanctions on Russians who are allegedly involved in the death of the lawyer of the Hermitage Capital Management investment fund, Sergei Magnitsky. Russia is actually facing another version of Jackson-Vanik amendment that takes account of new political realities, says political analyst Yelena Khot’kova, and elaborates. "The Jackson-Vanik amendment will lose its importance for the United States once Russia joins the WTO, Yelena Khot’kova says, but Washington will make up for it by substituting a new political act, the one that’s currently known as the Magnitsky Act, for the repealed amendment. One instrument of bringing pressure to bear on Russia will thus be replaced with another one in a move that meets the US interests in the new conditions.

#### Even Russia has called us out on it

The Voice of Russia, 7-21-2012, “Jackson-Vanik 2.0,” The Voice of Russia, http://english.ruvr.ru/2012\_07\_21/Jackson-Vanik-2-0/

This is typically an example of US political behaviour with regard to Russia. And this is absolutely deplorable." Russia has repeatedly pointed out that the Magnitsky Act is damaging to bilateral relations and violates international law standards, said Deputy Russian Foreign Minister, Sergei Ryabkov, in an interview with The Voice of Russia. This is the way he elaborated on his statement. "Leaving aside the tragic aspects, Sergei Ryabkov says, it’s just impermissible to break international norms and standards of behaviour. Under international law, the imposition of sanctions on individuals and/or corporate bodies of another country is only possible if these are either authorized by the UN Security Council, or if the country in question makes moves that are clearly unfriendly." Deputy Russian Foreign Minister Sergei Ryabkov in the Voice of Russia report on the US Congress’s double-standard policy towards Russia.