# Neg

## Uniqueness

### Will Pass UQ

#### Will pass within a month

DONNA CASSATA – The Associated Press – 6/26/12, Senate panel OKs bill on Russian human rights, <http://www.ajc.com/news/nation-world/senate-panel-oks-bill-1464853.html>

Senate Finance Committee Chairman Max Baucus, D-Mont., has said he would add the human rights legislation to a bipartisan measure to normalize trade relations with Russia, a move that could occur next month. That bill would repeal the 1974 Jackson-Vanik act that tied trade with the then-Soviet Union to Moscow's allowing Jews and other minorities to leave the country. The repeal of Jackson-Vanik is necessary if U.S. businesses are to enjoy the lower tariffs and increased access to Russian markets that will become available when Russia joins the World Trade Organization this summer. Supporters of normalized trade said it could lead to a doubling of U.S. exports to Russia.

### Obama Pushing

#### Obama is currently pushing congress to repeal Jackson-Vanik

Palmer, Doug; 6/20/2012; journalist (“U.S. trade bill “not a gift” to Russia, Kirk says,” MSNBC, <http://www.msnbc.msn.com/id/47891579/ns/world_news-mideast_n_africa/t/us-trade-bill-not-gift-russia-kirk-says/#.T-pBIitYvGc>)

President Barack Obama's top trade official urged Congress on Wednesday to quickly approve legislation to improve trade ties with Russia, unencumbered by human rights requirements, saying it was vital to keep U.S. exports competitive in the Russian market. Only on msnbc.com NBC/WSJ poll: More would be pleased if health law ruled unconstitutional Friends reel from shooting of teen lesbian couple Exclusive: Matt Sandusky details abuse at dad's hands A Special Series: What the World Thinks of US For many Pakistanis, 'USA' means 'drones' Court sees limits to states' rights Hundreds feared buried in landslide in Uganda "Authorizing the president to provide permanent normal trade relations is not a gift to Russia," U.S. Trade Representative Ron Kirk said in testimony to the House of Representatives Ways and Means Committee. U.S. lawmakers have expressed concern about Russian support of the bloody crackdown on the opposition in Syria and many support proposed human rights requirements on Russia. Congress is under pressure to approve permanent normal trade relations (PNTR) by repealing a Cold War-era trade restriction known as the Jackson-Vanik amendment because of Russia's entry in the World Trade Organization by August 22 at the latest. If the Jackson-Vanik provision is not lifted, Russia would be entitled under WTO rules to deny U.S. companies the market-opening benefits it made to join the WTO, Kirk said. "We could be paying tariffs sometimes double what other countries are paying," Kirk said. Kirk also urged Congress to pass a "clean bill that enables us to maintain our competitive edge," in reference to the desire of many lawmakers to attach human rights legislation that U.S. companies fear could also hurt their exports to Russia. Advertise | AdChoices House Ways and Means Committee Chairman Dave Camp, a Michigan Republican, said he also thought "legislation granting Russia PNTR should be clean and targeted, or else the legislation could be unduly complicated and delayed."

## Internal Link

### PC Key

#### Political capital is key to lifting Jackson-Vanik

Andrew C. Kuchins – senior fellow and director of the Russia and Eurasia Program at the Center for Strategic and International Studies – 5/4/12, Vladimir Putin’s Return as Russian President, <http://csis.org/publication/vladimir-putins-return-russian-president>

The Obama administration will need to work hard and lay out considerable political capital to make PNTR happen. The administration does not really want to have a public debate over its Russia policy during a campaign year. But it will have to, and the administration should not fear it, because there is a very strong case to be made. Members of Congress will also be reluctant to make what will appear to be a gift or concession to Moscow during a campaign year, when Russia’s stock in Washington is down. At the end of the day, we will grant Russia PNTR status because it would basically be idiotic not to. But exactly when the “end of that day” will be is a mystery.

#### Obama is pushing for repeal of Jackson-Vanik – that’s essential for passage (If a Republican Congressman is willing to say it, you know it’s true)

DTN's Washington Insider – 6/11/12, Tricky Politics on PNTR for Russia, <http://www.dtnprogressivefarmer.com/dtnag/common/link.do?symbolicName=/ag/news/template1&forceNavUpdate=false&product=_TOPIC_CONTENT_|DTN/Ag/Policy&vendorReference=00059836-13a8-4d5f-8fb9-9c0894d04920__1339156871718>

The administration continue to push lawmakers to approve PNTR quickly and both U.S. Trade Representative Ron Kirk and Francisco Sanchez, Commerce undersecretary for international trade, traveled to Russia recently for unrelated reasons, but discussed PNTR in the process. Kirk met with the Asia Pacific Economic Cooperation forum while Sanchez led 13 U.S. companies specializing in energy-efficiency technologies on a trade mission to Moscow and St. Petersburg. Sanchez has been telling the press that he reassured Russian officials that the administration is pushing hard for congressional repeal of the Jackson-Vanik restrictions, which have been waived routinely for Russia every year since the early 1990s. However, Moscow says it will not provide U.S. companies access to preferential tariffs and WTO dispute mechanisms unless Congress succeeds in repealing the measure. Nevertheless, a growing number of lawmakers are pushing new human rights measures, primarily through legislation introduced by Sen. Ben Cardin, D-Md. It would punish Russian officials accused of human-rights violations by denying visas and freezing asses, in some cases. The administration has not said whether it favors Cardin's approach, or whether it favors any new human rights legislation linked to a Russian trade bill since it has an executive order that covers some of the same ground. Sanchez told the press that potential damage to U.S. exports from not repealing Jackson-Vanik "can't be ignored." And, he added, "Whatever Congress needs to do, it needs to be put in the context of how is this going to impact our competitiveness." Cardin has named his bill after a Russian lawyer named Sergei Magnitsky who died in a Russian prison in 2009 after accusing government officials of fraud. The senator expects his Magnitsky proposal to be taken up by the Senate Foreign Relations Committee in June and that it will move on a parallel track with the Russia trade bill, expected to be introduced in the Senate Finance Committee around the same time. An aide to Senate Finance Chairman Max Baucus, D-Mont., told the press recently he still hopes to complete congressional action before Russia joins the WTO. However, House Republicans are critical of the current pace of activity and are pushing the administration to undertake more lobbying. "A lot depends on how aggressively the White House weighs in, at least on our side of the Capitol," said House Ways and Means Trade Subcommittee Chairman Rep. Kevin Brady, R-Texas.

## Impacts

### Relations – XT

#### JV hurts relations between US and Russia

Rianovisti 6/20 (“Putin Calls For End to Jackson-Vanik, Slates Magnitsky Bill” Rianovisti. http://en.rian.ru/world/20120620/174139131.html)

Russian President Vladimir Putin said he hopes for the soonest possible cancellation of the Jackson-Vanik amendment. “I hope the amendment, which discriminates against Russia on U.S. markets, will be canceled, the more so as we have joined the World Trade Organization, and its preservation would only harm American companies working on the Russian market,” Putin told journalists after the G20 summit in Mexico. “The United States is itself interested in canceling the amendment,” he said, adding that the cancelation would boost bilateral trade. The Jackson-Vanik amendment, passed in 1974, barred favorable trade relations with the Soviet Union because it wouldn’t let Jewish citizens emigrate. It has been defunct for the past two decades, and both Moscow and Washington have warned that, if not repealed, it would be an obstacle to productive U.S.-Russian trade relations when Russia joins the WTO. 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.

### Relations – A2: Magnitsky

#### Obama push makes it toothless

Colley, Carroll; Director, Research at Eurasia Group - 6/21/12 (“Presidential campaign politics delays U.S. recognition of Russia at WTO,” Foreign Policy Magazine Website, http://eurasia.foreignpolicy.com/posts/2012/06/21/presidential\_campaign\_politics\_delays\_us\_recognition\_of\_russia\_at\_wto)

The Obama administration has sent contradictory messages about its support for the Magnitsky bill. While originally opposing the bill, the administration seems to have accepted the inevitable and has been working with its primary author, Democratic Sen. Ben Cardin of Maryland. One recent Senate version provides for the public list as well as a confidential annex, which would largely allow the administration to circumvent the thrust of the bill by invoking national security exemptions. This is strongly opposed by a number of senior lawmakers, including Sen. John McCain, who was a co-sponsor of the effort to repeal Jackson-Vanik on the caveat of corresponding passage of the Magnitsky bill.

#### Won’t hurt relations

AP – 6/27/12, Clinton cites concerns over human rights in Russia, SF Gate, <http://www.sfgate.com/news/article/Clinton-optimistic-over-US-Russian-relations-3666547.php>

U.S. Secretary of State Hillary Rodham Clinton says she's optimistic that relations with Moscow will not suffer despite planned legislation in Congress that would impose tough sanctions on Russian human rights violators. Clinton says she expects "something to move" on both the repeal of the Jackson-Vanik law and on Congress' concerns about Russian human rights. She told reporters in Finland on Wednesday that the concerns could be expressed "without derailing the relationship (with Moscow) and that is what we are working with our Congress to do and we have every reason to believe we can accomplish that." The 1974 Jackson-Vanik Act tied trade with the then-Soviet Union to Moscow's willingness to allow Jews and other minorities to leave the country. The repeal of Jackson-Vanik is necessary if U.S. businesses are to enjoy lower tariffs and increased access to Russian markets when Russia joins the World Trade Organization this summer. Following talks with Finnish Foreign Minister Erkki Tuomioja, Clinton told reporters that "we discussed this directly with President (Vladimir) Putin when I was with President Obama in Mexico. We made it very clear that, you know, we do have concerns about human rights in Russia." A Senate panel in Washington moved forward Tuesday on a bill that would impose tough sanctions on Russian human rights violators, a measure certain to be linked to congressional efforts to lift the Cold War-era Jackson-Vanik trade restrictions. The Foreign Relations Committee of the Senate approved the measure that would impose visa bans and freeze the assets of those held responsible for gross human rights violations in Russia, as well as other human rights abusers. Specifically, it targets those allegedly involved in the imprisonment, torture and death of lawyer Sergei Magnitsky, who died in a Russian jail in 2009. Clinton said, "We think there is a way of expressing those concerns without derailing the relationship" with Moscow, and she added that is "what we are working with our Congress to do, and we have every reason to believe we can accomplish that." "We are very keen in the administration for repealing the Jackson-Vanik bill because we want to open doors to greater trade and investment between our two countries," the secretary said. "However there is great concern in our country, and in particular in our Congress over human rights in Russia," she added, "and in particular the case of the lawyer Mr. Magnitsky, who died in prison." "There's a lot of interest in our Congress over a full, transparent investigation of the circumstances of his death in prison," Clinton said. "And so our Congress, while they are being asked by the administration to repeal Jackson-Vanik, want to pass legislation that will require the United States government to take action against any persons who are connected with the death of Mr. Magnitsky."

### Russian Economy 2nc

#### Lifting Jackson-Vanik is key to Russia’s economic development

ICTSD (International Centre for Trade and Sustainable Development) – 3/21/12, US Lawmakers Begin Debate on Russia Trade Restrictions, <http://ictsd.org/i/news/bridgesweekly/128997/>

A few days prior to the Senate hearing, a letter signed by opposition organisations in Russia also called for a repeal of the trade restrictions. “Although there are obvious problems with democracy and human rights in modern Russia, the persistence on the books of the Jackson-Vanik amendment does not help to solve them,” the statement said, adding that the restrictions only help President-elect Putin by providing him the tools “to depict the United States as hostile to Russia.” “[Jackson-Vanik] limits Russia’s competitiveness in international markets for higher value-added products, leaving Russia trapped in its current petro-state model of development and preventing it from transforming into a modern, diversified and more hi-tech economy,” the letter added. “Those who defend [Jackson-Vanik] in order to punish Putin’s anti-democratic regime only darken Russia’s political future, hamper its economic development, and frustrate its democratic aspirations,” they said, suggesting instead that Washington implement legislation along the lines of the proposed Magnitsky bill. The statement was signed by anti-corruption activist Alexey Navalny; leaders of the People’s Freedom Party Boris Nemtsov, Vladimir Ryzhkov, and Sergey Aleksashenko; former deputy energy minister Vladimir Milov; and Ilya Ponomaryov, a member of Parliament from the Just Russia Party.

#### Strong Russian economy key to preventing political upheaval – that goes nuclear

Sheldon Filger – Writer, founder of GlobalEconomicCrisis.com – 5/10/09, Russian Economy Faces Disastrous Free Fall Contraction, Huffington Post, <http://www.huffingtonpost.com/sheldon-filger/russian-economy-faces-dis_b_201147.html>

In Russia, historically, economic health and political stability are intertwined to a degree that is rarely encountered in other major industrialized economies. It was the economic stagnation of the former Soviet Union that led to its political downfall. Similarly, Medvedev and Putin, both intimately acquainted with their nation's history, are unquestionably alarmed at the prospect that Russia's economic crisis will endanger the nation's political stability, achieved at great cost after years of chaos following the demise of the Soviet Union. Already, strikes and protests are occurring among rank and file workers facing unemployment or non-payment of their salaries. Recent polling demonstrates that the once supreme popularity ratings of Putin and Medvedev are eroding rapidly. Beyond the political elites are the financial oligarchs, who have been forced to deleverage, even unloading their yachts and executive jets in a desperate attempt to raise cash. Should the Russian economy deteriorate to the point where economic collapse is not out of the question, the impact will go far beyond the obvious accelerant such an outcome would be for the Global Economic Crisis. There is a geopolitical dimension that is even more relevant then the economic context. Despite its economic vulnerabilities and perceived decline from superpower status, Russia remains one of only two nations on earth with a nuclear arsenal of sufficient scope and capability to destroy the world as we know it. For that reason, it is not only President Medvedev and Prime Minister Putin who will be lying awake at nights over the prospect that a national economic crisis can transform itself into a virulent and destabilizing social and political upheaval. It just may be possible that U.S. President Barack Obama's national security team has already briefed him about the consequences of a major economic meltdown in Russia for the peace of the world. After all, the most recent national intelligence estimates put out by the U.S. intelligence community have already concluded that the Global Economic Crisis represents the greatest national security threat to the United States, due to its facilitating political instability in the world. During the years Boris Yeltsin ruled Russia, security forces responsible for guarding the nation's nuclear arsenal went without pay for months at a time, leading to fears that desperate personnel would illicitly sell nuclear weapons to terrorist organizations. If the current economic crisis in Russia were to deteriorate much further, how secure would the Russian nuclear arsenal remain? It may be that the financial impact of the Global Economic Crisis is its least dangerous consequence.

### Turns Case – Economy / Stimulus

#### It’s reverse causal – granting PNTR gives the economy an essential booster shot

Daniel Griswold and Douglas Petersen – director of the Herbert A. Steifel Center for Trade Policy Studies at the Cato Institute – 12/6/11, Trading with the Bear: Why Russia's Entry into the WTO Is in America's Interest, <http://www.cato.org/publications/free-trade-bulletin/trading-bear-why-russias-entry-wto-is-americas-interest>

As a condition of membership in the WTO, all members are expected to grant unconditional most-favored nation (MFN) status to all other members. This means each WTO member must offer the same level of market access to other members without attaching special conditions to that access. Continued application of Jackson-Vanik to Russia would be a violation of unconditional MFN status, since it depends on Congress granting renewal each year. If Congress does not grant PNTR to Russia by repealing Jackson-Vanik, then the enhanced market-access commitments Russia has made in its accession protocol would not apply to exports from the United States. Producers in the other 150-plus members would enjoy those benefits but not producers in the United States. The stakes are high. Russia is a major yet still underdeveloped market for a range of American exports, from poultry to aircraft. If U.S. exporters are not granted the more favorable access under Russia's accession protocol, they will face discriminatory tariffs that will put them at a disadvantage against competitors in other major trading nations. That market share, once lost, would be difficult to regain. Granting PNTR to Russia thus becomes important to promoting U.S. trade as a sustainable boost to the sputtering U.S. economy. Expanding U.S.-Russian Commercial Relations Russia has emerged as a major commercial partner of the United States, although the relationship remains underdeveloped relative to the size of Russia's economy and the considerable economic liberalization following the collapse of the Soviet Union. Through the first three quarters of 2011, Russia ranked 31st among nations as a market for U.S. goods exports, and 16th as a source of U.S. goods imports. In two-way trade (exports plus imports), Russia ranks as America's 23rd largest trading partner, just below Thailand and Nigeria,1 even though it is the world's 11th largest economy in exchange-rate terms.2 Russia remains by far the largest economy and the only member of the G-20 group of major economies still outside the World Trade Organization. Of the 50 largest economies in exchange-rate terms, the oil-exporting Islamic Republic of Iran is the only other one that is not a member. Trade with Russia has, however, grown significantly over the past decade. From 2000 to 2010, U.S. goods exports to Russia increased by 187 percent and U.S. imports from Russia increased by 235 percent.3 During the same period, total U.S. exports and imports grew 63 percent and 57 percent respectively. The growth in import value from Russia can be attributed at least partially to an increase in the world prices of natural resources such as oil and natural gas, which account for a large share of U.S. imports from Russia. Over this same time period, world prices for crude oil have increased by 183 percent.4 U.S. trade with Russia is highly concentrated in a few select industries. In 2010 the top five import categories (according to the 2-digit Harmonized System) made up over 70 percent of total U.S. imports from Russia.5 These categories included precious stones and metals, inorganic chemicals, mineral fuels, aluminum, iron and steel, and fish and other seafood. Examining the industry concentration of imports using the North American Industry Classification System (NAICS) produces an even greater level of concentration: just three NAICS 3-digit categories (petroleum and coal products, oil and gas, and primary metal manufacturing) made up 86 percent of imports from Russia in 2010.6 U.S. exports to Russia are also highly concentrated: aircraft, machinery, and meat (according to the 2-digit Harmonized System) make up about 60 percent of U.S. exports to Russia. A calculation using comparable NAICS categories yields a figure closer to 54 percent.7 PNTR Key to Expanding U.S. Exports American producers will be in a better position to expand their exports to Russia if the United States can participate fully in Russia's membership in the WTO. And that can happen only if Congress grants Russia permanent normal trade relations. Russia's accession to the WTO would almost certainly result in increased U.S. exports, thereby contributing to President Obama's National Export Initiative goal to double exports from 2009 to 2014. Following a dip during the "Great Recession" of 2008–09, U.S. exports to Russia have rebounded strongly. The increasing economic liberalization and development of Russia in recent years has coincided with increased U.S. exports, with the growth rate of U.S. exports to Russia twice as large as the growth rate of U.S. exports to the rest of the world. By some estimates, U.S. exports to Russia could double in the five years following its accession to the WTO.8 Demand within the Russian market for U.S. goods and services is significant and increasing. Moreover, that demand spans across multiple economic sectors, including agriculture, services, capital equipment, manufactures, machinery, and advanced technologies. In 2010, for example, 66 million Russians were Internet users. This number is expected to jump by 20 percent in 2011, stoking demand for U.S.-branded computer software and hardware.9 As a condition of its WTO entry, Russia has committed to joining the Information Technology Agreement, which eliminates duties on a wide range of IT, communication, and other high-tech hardware. Also, Russia is the 8th largest market for U.S. exports of PVC and other polymers, and exports of these goods grew 500 percent between 2008 and 2010. Furthermore, Russia will require an estimated 960 new civilian aircraft in the next 20 years to replace its aging fleet, and a proposed reduction from 20 percent to 7.5 percent in tariffs on wide body aircraft would benefit U.S. producers significantly.10 Growing demand for Russia's vast natural resources — including farming, mining, oil, and energy products — drives Russian demand for heavy and complex machinery, which the United States is in an optimal position to export. Russia has committed to a bound tariff (upon entering the WTO) of 5 percent in this sector.11 Meat is another area in which Russia's accession would greatly benefit the United States. Despite a temporary decline in exports to Russia due to a chemical-based ban on U.S. poultry, Russia remained one of the top 10 markets for U.S. poultry exports in 2010.12 As a member of the WTO, Russia would have to adhere to international standards in regulating its meat imports, ensuring greater predictability for U.S. exports. This is also true for pork products, and U.S. pork exports increased tenfold in the five years preceding the economic crisis. Exports of U.S. beef to Russia also have risen, jumping to $102 million in 2010. Russia's agreement to bind its tariff and comply with WTO standards in agriculture will both increase the standards of meat within Russia and help to ensure and expand the market for U.S. goods.13 Russia has also committed to liberalization measures in its financial sector. This has opened up Russia as a potential recipient of considerable foreign direct investment. The U.S. financial sector is poised to gain from Russian accession commitments to allow 100 percent foreign ownership of banks and financial institutions, to liberalize financial services across borders, and to allow internal securities trading by foreign firms.14 Similarly, such U.S. sectors as telecommunications, professional services providers, and distribution operators would benefit from Russian liberalization of foreign investment and ownership, and several high-tech industries would benefit from Russia's adherence to the WTO's Trade-Related Aspects of Intellectual Property (TRIPs) agreement.15 It is important politically (if not economically) to note that Russia exports mainly natural resources, energy products, and high-value goods, which typically face low to zero tariffs already. Those who misguidedly argue that increased U.S. trade with countries such as China, Mexico, and smaller, less-developed countries has had a detrimental impact on certain more labor-intensive U.S. industries need not worry that liberalized trade with Russia will produce similar results. Moreover, Russia seeks to import U.S. technologies, capital equipment, and advanced machinery. In sum, U.S.-Russia trade is significantly less competitive than it is collaborative and complementary. Finally, Russia's entry into the WTO would benefit the United States indirectly by spurring economic growth in Russia and institutionalizing economic reforms. Although Russia remains a mixed economy with widespread government intervention, it has been liberalizing its trade regime. The average level of import tariffs in Russia has dropped from 14 percent to 8 percent, according to World Bank economist David Tarr. Membership in the WTO would help to lock in those gains. The World Bank also predicts WTO membership would increase the size of the Russian economy by as much as 11 percent in the long run, further boosting demand for U.S. exports.16 Lingering Objections to Normalizing Trade with Russia Balanced against those advantages, certain members of Congress have raised a number of potential objections to granting permanent normal trade relations to Russia. The biggest issues raised are remaining trade barriers that the Russian government maintains against certain goods of export interest to the United States, lack of adequate protection of intellectual property, the misuse of sanitary and phytosanitary (SPS) regulations as trade barriers against agricultural goods, and ongoing political restrictions in Russia. While each of those concerns is real, none of them justify withholding permanent normal trade relations. Abuse of Food Safety Regulations A key issue for agricultural exporters will be Russia's commitment on sanitary and phytosanitary standards, which concern the application of food safety and animal and plant health regulations. Among the major remaining issue is that of equivalence, which is a WTO SPS requirement committing members to accept exporting members' differing SPS standards and procedures so long as they are demonstrably and objectively sufficient to satisfy the importing member's SPS protections. Russia allegedly neither explains its SPS measures nor utilizes specific and consistent scientific procedures in its evaluations. Examples of allegedly inconsistent and WTO-illegal requirements include antiquated and prescriptive rules for slaughter plant hygiene, a zero tolerance for antibiotics in meat, opposition to chlorinated washes for poultry, and nonscientific standards for food-borne pathogen control. Also relevant to SPS, a regional customs union of which Russia is a member requires Russia to ensure that any SPS customs union regulations (which are still being developed) with Belarus and Kazakhstan are consistent with WTO rules. Russia thus must coordinate SPS issues with not only major WTO partners such as the United States and the European Union, but also customs union partners and several domestic agencies. One of the most contentious issues in U.S.-Russia trade relations is the treatment of imported poultry from the United States. Due to rising per capita Russian incomes that have resulted in increased demand for meat, Russia is one of the largest export markets in the world for American poultry producers. On January 1, 2010, Russia implemented new regulations on imported poultry, which made it more difficult for U.S. exports to meet Russian requirements for sanitary preparation. Ensuring that SPS measures do not become disguised trade barriers is one of the most valuable contributions of WTO membership. The U.S. government is right to press this issue with the Russian government, but it should not become a barrier to passing PNTR. The United States will be in a better position to challenge Russia once it is a WTO member by using, or threatening to use, the organization's dispute settlement mechanism. By joining the WTO, Russia will have committed to following the organization's detailed SPS rules, which the United States can then seek to enforce through established procedures rather than brinksmanship. Automobile Sector and Other Protection Another politically sensitive issue is Russia's significant remaining trade and investment barriers on automobiles. Russia recently updated its automobile investment policy in a way that contradicts the WTO's existing rules on trade-related investment measures (TRIMs). The Russian program allegedly "doubles the local content rules that foreign companies need to observe in order to benefit from tariff cuts for imported parts."17 The program requires, for example, foreign manufacturers to "use up to 60 percent of local content in their Russia-made vehicles, register a certain amount of intellectual property in Russia and build entire components such as engines within Russia in order to receive tariff reductions on the parts and components they import into Russia."18 In addition, the program also requires that foreign auto companies located in Russia invest in Russian-based research and development. According to Russian media, Russian prime minister Vladimir Putin has stated publicly that Russia will not repeal the auto investment program. In fact, Russia's auto policy was amended in December 2010 (Decree 166) to increase local content requirements — a clear sign of movement counter to liberalization. Negotiations with Russia over tariff-rate quotas for beef, pork, and poultry have made little progress and met resistance. The United States and other potential exporters (especially the European Union) have pushed Russia for concessions, while Russia has failed to specify TRQ levels to which it is willing to commit. U.S. farmers stand to gain significantly from improved market access for agriculture if issues such as the TRQs can be addressed. Again, the U.S. exporters will stand a better chance of prevailing in such disputes if Russia is a member of the WTO and the United States is a full participant in its membership. Lack of Adequate Intellectual-Property Protection Intellectual property rights (IPR) are also frequently cited as an issue in U.S.-Russia trade. In 2010 the U.S. International Trade Commission listed Russia on its "priority watch list" of nations who are failing to meet their obligations to enforce intellectual property rights. According to the annual USITC report on IPR enforcement: While Russia has made some progress over the past several years in improving IPR protection and enforcement, concerns remain, particularly with respect to Russia's continued failure to implement fully its commitments in the November 2006 Bilateral Agreement on Protection and Enforcement of Intellectual Property Rights.19 Particular areas of concern for the USITC were optical disc and internet piracy, "unfair commercial use of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products," and music and movie counterfeiting. Russian accession to the WTO requires a commitment from the Russian government to protect and enforce intellectual property rights. Reportedly, the United States is "satisfied with the intellectual property section of Russia's working party report, which includes legislative and enforcement obligations."20 United States satisfaction stems largely from recent changes made by Russia to its IPR laws. However, the extent to which Russia will enforce its new protections remains uncertain. Many high-technology U.S. firms and industries remain skeptical, and a Russian social networking website remains one of the world's most popular sources for illegal music downloads. Some reports suggest that additional Russian legislation ensuring that internet service providers will be held liable for IPR infringement may be a prerequisite for WTO accession or U.S. granting of MFN status. Like the concerns over the abuse of SPS regulations, intellectual property protection in Russia is a legitimate concern. But like SPS, it is no reason to oppose granting of permanent normal trade relations. As a fellow WTO member with Russia, the U.S. government will be able to insist on compliance with the full weight of the WTO's dispute settlement mechanism. Human Rights Concerns Beyond those commercial concerns, members of Congress may be reluctant to grant PNTR to Russia unless the legislation can be used as a bargaining chip to pressure Russia on human rights. House Foreign Affairs chairman Ileana Ros-Lehtinen stated on July 7, 2011, that PNTR for Russia is "simply not an option" absent human rights reform, a sentiment shared by other members of Congress.21 Some kind of compromise on human rights might become a necessary trade-off in order to obtain congressional support for MFN and repeal of Jackson-Vanik. One option would be a bill mandating asset freezes and/or travel bans for certain Russian individuals, particularly those involved in the murder of Sergei Magnitsky, a Russian lawyer who had recently unearthed tax fraud by the Russian government and then died while in custody. Although such narrowly crafted bills may provide the kind of compromise that is needed, conditioning PNTR on an overall improvement in Russia's human rights record would be a mistake. Trade policy has proven to be an ineffective tool for imposing fundamental political changes in other countries. The World Trade Organization was not set up to enforce human rights but more narrowly to promote trade liberalization among its members. Promoting respect for human rights around the world is a worthy cause, but threatening to withdraw trade access for an entire nation is not a proper human-rights tool. Just as WTO member governments pursue a wide range of trade policies, they also represent a wide range of political regimes. Of the organization's 153 members, more than 20 are at least as or more repressive of human rights than Russia, as measured by the annual survey of Freedom House. The list of WTO members that, like Russia, are classified by Freedom House as "Not Free" includes Bahrain, Cambodia, Chad, China, Cuba, Egypt, Jordan, Oman, Qatar, Rwanda, Saudi Arabia, Vietnam, United Arab Emirates, and Zimbabwe.22 It would be inconsistent with the spirit of the WTO, as well as established U.S. policy, to oppose Russia's membership in the organization because of its restrictions on political and civil freedoms. The Mechanics of Jackson-Vanik Once those objections are overcome, the last remaining obstacle will be the permanent graduation of Russia from the Jackson-Vanik amendment. This amendment is yet another example of a law that remains on the books long after its original justification has ceased to apply. The law originated in the Cold War between the United States and the Soviet Union, which spanned four decades from the late 1940s to the fall of the Berlin Wall. The United States suspended, in 1951, MFN status to all communist countries (with the exception of Yugoslavia) under Section V of the Trade Agreements Extension Act (later superseded by Title IV of the Trade Act of 1974).23 Domestic U.S. law, in the form of Title IV of the Trade Act of 1974 (as amended), in fact mandates that MFN status be withheld from certain countries — that is, nonmarket and communist countries unable or unwilling to satisfy Section 402 of the Trade Act of 1974. Also known as the Jackson-Vanik amendment, Section 402 requires foreign adherence to certain freedom of emigration requirements in order to qualify for MFN. Section 402 stipulates that "to assure the continued dedication of the United States to fundamental human rights ... products from any non-market economy country shall not be eligible to receive nondiscriminatory treatment (normal trade relations)." Specifically, Section 402 states that the United States cannot conclude a commercial agreement with any such country so long as that country 1. Denies its citizens the right or opportunity to emigrate; 2. Imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or 3. Imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice. Although Jackson-Vanik has not expired, the majority of countries originally susceptible to the amendment have shifted toward economic liberalism and joined (or applied to join) the WTO. Former or remaining communist countries that have joined the WTO (by date of accession) include Slovakia (1/1/95), Romania (1/1/95), Czech Republic (1/1/95), Hungary (1/1/95), Bulgaria (12/1/96), Mongolia (1/29/97), Kyrgyzstan (12/20/98), Latvia (2/10/99), Estonia (11/13/99), Georgia (6/14/00), Albania (9/8/00), Lithuania (5/31/01), Moldova (7/26/01), China (12/11/01), Armenia (2/5/03), Cambodia (10/13/04), Vietnam (1/11/07), and Ukraine (5/16/08). Other former communist countries that have applied for WTO membership and are in accession negotiations include Azerbaijan, Belarus, Kazakhstan, Russia, Tajikistan, and Uzbekistan. Under WTO rules, MFN must be applied "unconditionally." However, WTO Article XIII permits the nonapplication of multilateral trade agreements (e.g., MFN) among particular members under predetermined conditions. Specifically, Article XIII states that nonapplication "may be invoked between original Members of the WTO which were contracting parties to GATT 1947 only where Article XXXV of that agreement had been invoked earlier and was effective as between those contracting parties at the time of entry into force for them of this Agreement." In addition, Article XIII states that WTO agreements "shall not apply as between any Member and any other Member if neither of the Members, at the time either becomes a Member, does not consent to such application." Application of Article XIII essentially amounts to an official and legal declaration that any and all WTO privileges, obligations, and mechanisms are nonexistent and inapplicable between the newly acceding WTO member and the member invoking Article XIII. The United States remains the only country to have evoked Article XIII. When a WTO member thus "determines that it cannot, for political or other reasons, accede to this or any other GATT/WTO principle toward a newly acceding member, it can 'opt-out' of its obligations toward that member by invoking the non-application provision."24 In this way, a current WTO member such as the United States can legally refrain from granting unconditional MFN to a newly acceding member such as Russia. The catch is that the member opting out of such an obligation is not entitled to benefit from the increased trade liberalization that the new member has agreed to in its accession protocol. So if Congress refuses to pass PNTR, Russia will become a member of the WTO regardless, but U.S. producers will be denied the same full access to the Russian market that will be available to other WTO members. From Cold War to Normal Trade Relations For the past several years, the United States has granted Russia conditional normal trade relations status, which has provided the United States with limited trade benefits inferior to those that would be fully available after Russian accession to the WTO. Legally, the conditional normal trade relations may be extended only if the U.S. president decides that the country in question is in compliance with the emigration rights requirements of Jackson-Vanik. Semiannual compliance reviews occur, and U.S.-Russia trade continues to be artificially and legally restrained. As explained above, WTO accession does not necessarily require that the United States grant Russia MFN/PNTR. Rather, the United States may invoke the WTO's nonapplication provision and, by so doing, refrain from a WTO-protected bilateral and reciprocal trade relationship with Russia. However, in order for the United States to fully benefit from Russian accession to the WTO, the United States must grant Russia permanent normal trade relations and most favored nation status, a step that will require approval by Congress. When policymakers weigh the ineffectiveness of the Jackson-Vanik Amendment against all the advantages of ushering Russia into the WTO, denying permanent normal trade relations simply should not be an option. The best policy toward Russia at this stage in our relationship is to repeal any and all Jackson-Vanik Amendment restrictions against Russia immediately and prior to Russia's accession to the WTO. Procedurally, Congress should terminate application of the amendment, thereby enabling President Obama to grant MFN status to Russia, which he should do. When and if Russia accedes to the WTO, the United States should grant Russia permanent normal trade relations and not invoke the WTO's nonapplication principle. Pursuing such a policy would yield immediate and tangible benefits for the American economy without sacrificing any vital foreign policy goals. By any measure, the Jackson-Vanik Amendment has failed in its purpose to promote emigration rights. It was not the amendment that secured those rights for the citizens of the former Soviet Union but rather the system's own collapse in 1989–91 under internal and external pressures. While the desire for improved human rights abroad is laudable, economic sanctions have proven to be an ineffective means by which to promote these human rights goals. Mandating that trade liberalization cannot occur absent emigration freedom is misguided. A more effective strategy for improving human rights, in fact, is to increase trade liberalization, thereby enhancing opportunities for people with limited human rights to enrich themselves and interact more frequently with people with greater human rights. By granting Russia conditional most favored nation status annually beginning in 1994, the United States has implicitly acknowledged that Russia is in full compliance with the Jackson-Vanik Amendment's emigration requirements. Rather than continuing this hollow exercise with no discernable purpose, the United States should formally and officially revoke Jackson-Vanik restrictions as they pertain to Russia.

### Turns Case – Competitiveness

#### Jackson-Vanik jacks competitiveness – every nation except the US will get better trade deals

John Allen Gay, Writer for Center for the National Interest, 6/13/2012 (“U.S.-Russia Trade: Permanent Normal Trade Relations, the Jackson-Vanik Amendment, and the Magnitsky Bill,” Center for the National Interest, http://www.cftni.org/6\_13\_US-Russia\_Trade.pdf)

Russia is a top producer of natural resources, including minerals and hydrocarbons, and does more than 43 billion dollars of trade with the United States annually. There is potential, he stated, for far more. Seventy percent of Russian agricultural equipment is obsolete, and Russian farmers have indicated strong preferences for American-made combine harvesters. Russia’s aging fleet of civilian aircraft, said Verona, will require $95 will create opportunities billion worth of replacements in the next two decades. Major American corporations like Pepsi, Coca-Cola, and General Motors are moving in as well, building market share and buying local firms. Russia’s retail sector has averaged 11% annual growth in recent years, and Russian consumers like American brands and have large amounts of disposable income. Verona pointed out that Russia’s WTO membership, expected this summer, will create opportunities. Tariffs will be slashed in many fields, including agricultural equipment, medical devices, aircraft and aircraft parts, and automobiles; dispute resolution mechanisms and transparency requirements will make foreign investors feel safer. Washington has led the charge for Russia’s WTO accession, said Verona, and has gotten a “good deal” in negotiations with little room for “creative interpretations” that would allow Russia to violate the spirit of the accession agreement. However, he stated, the Jackson-Vanik amendment and denial of Permanent Normal Trade Relations (PNTR) would allow Russia to lawfully deny the pending trade benefits to America. This, said Verona, would be a disaster: U.S. companies would be at a disadvantage and could lose hard-earned market share to others. Verona noted that his organization takes no position on the Magnitsky bill, but warned that if it were passed without repealing the JacksonVanik measure, the consequences for American trade with Russia would be severe.

#### The US must repeal JV before Russia joins the WTO to avoid putting American exporters at a disadvantage

Devaney, Tim. 6/22/2012, (Writer for the Washington Times, “Administration Seeks Better Trade with Russia; Officials Tell Senate of Need to Utilize WTO”) http://www.lexisnexis.com/lnacui2api/results/docview/docview.do?docLinkInd=true&risb=21\_T15007525650&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29\_T15007525654&cisb=22\_T15007525653&treeMax=true&treeWidth=0&csi=8176&docNo=3

If the U.S. does not find a way to improve trade relations by then, Russia would not be required to extend to the United States the WTO benefits shared with other members. That would put American exporters at a disadvantage compared with international competitors who will get easier access to Russian markets. Sen. John Thune, South Dakota Republican, complained that the Obama administration and Democrats last year moved too slowly on approving free-trade agreements with South Korea, Colombia and Panama, giving international competitors a head start. "We should not repeat that mistake," he said during the hearing. If Congress does strike down the Jackson-Vanik amendment and the president extends permanent normal trade relations status to Russia, it would likely help U.S. exporters create many American 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," said Sen. Max Baucus, Montana Democrat and chairman of the Finance Committee. Russia's economy is growing with an emerging middle class. In 1994, when it began negotiating WTO membership, Russia was still struggling with an economic crisis brought on by the collapse of the Soviet Union. It was only the 16th-largest economy in the world with a gross domestic product of $277 billion, Mr. Kirk said. But today is has grown to become the seventh-largest economy at $1.9 trillion, and it is predicted to grow at 4 percent per year during the next five years. Permanent normal trade relations are "not a favor to Russia," Secretary of Agriculture Tom Vilsack said. "It is a significant opportunity for America's farmers, ranchers, and producers."

### Turns Case – Jobs/Exports

#### Lifting Jackson-Vanik generates jobs and exports

States News Service (information released by the Senate Finance Committee, Chairman Max Baucus) – 3/15/12, BAUCUS PUSHES FOR JACKSON-VANIK REPEAL TO BOOST U.S. EXPORTS TO RUSSIA, CREATE U.S. JOBS, lexisnexis

Senate Finance Committee Chairman Max Baucus (D-Mont.) pushed in a Committee hearing today for Congress to repeal the 1974 Jackson-Vanik Amendment and establish permanent normal trade relations (PNTR) with Russia to boost U.S. exports and create jobs here at home. If Congress establishes PNTR, Baucus noted, American exports to Russia are expected to double within five years of Russia joining the World Trade Organization (WTO). In order for U.S. businesses and workers to benefit from Russia joining the WTO, Congress must pass PNTR and repeal the Jackson-Vanik amendment. Russias entry into the WTO will be a one-way economic benefit that boosts our exports and creates jobs in the United States, so repealing Jackson-Vanik is an absolute no-brainer, Baucus said. Jackson-Vanik served its purpose and helped millions of Jews emigrate freely, but it is now a relic of the past. Every President, regardless of political party, has waived Jackson-Vaniks requirements for Russia for the past 20 years. And repealing Jackson-Vanik weakens the ability of the hardliners in Russia to rally anti-American forces. Russia is joining the WTO regardless of what the United States does, so we need to take advantage of this one-way opportunity to boost our economy and create jobs here at home while we can.

### Turns Case – Ag Industry

#### Repeal key to ag industry – essential export market

Delta Farm Press, June 21, 2012 “Russian trade bill means big opportunities for soybean farmers” Lexis.

The American Soybean Association (ASA) welcomes the introduction of a Senate bill that would graduate Russia from the Jackson-Vanik Amendment to the Trade Act of 1974, and authorize President Barack Obama to establish permanent normal trade relations (PNTR) with the worldas sixth largest economy. ASA urges the immediate passage of the bipartisan bill introduced by Montana Sen. Max Baucus, Massachusetts Sen. John Kerry, Arizona Sen. John McCain and South Dakota Sen. John Thune, which enables the United States to take advantage of the many market opening commitments that form Russiaas accession package to the World Trade Organization, to which the country was formally invited in late 2011. Russia is a leading export market for U.S. soy, meat, poultry, egg and dairy products, importing more than $770 million in these products last year. "Todayas announcement from (Baucus, Kerry, McCain and Thune) is an exciting one for farmers," said ASA President Steve Wellman, a soybean farmer from Syracuse, Neb. "As Russiaas economy and purchasing power grows, Russian demand for soy products, poultry, pork, dairy and eggs grows as well, and thatas great news for American soybean farmers." Russia is home to more than 140 million consumers and a fast-growing economy. As part of its accession to the WTO, Russia will be obligated to bind its agricultural tariffs, adding more predictability to the trading relationship and opening export opportunities for the U.S. agricultural industry. WTO membership will also require Russia to adhere to internationally-recognized scientific standards when regulating meat imports, thereby ensuring greater predictability for U.S. exporters seeking to supply the Russian consumer market. The establishment of PNTR with Russia is different from a free trade agreement, in that the move will not require the U.S. to provide any market access benefits, lower any U.S. tariffs, or make other changes to our trade laws as a result of Russiaas WTO accession ASA represents all U.S. soybean farmers on domestic and international issues of importance to the soybean industry. ASAas advocacy efforts are made possible through the voluntary membership in ASA by more than 21,000 farmers in 31 states where soybeans are grown.

#### Repealing Jackson Vanik is key to U.S. agriculture – boosts exports

Tom Vilsack, US Secretary of Agriculture, 2012. Testimony of Thoman J. Vilsack. http://www.finance.senate.gov/imo/media/doc/Vilsack%20SFC%206.21.12%20(final).pdf JH

"Mr. Chairman, members of the Committee, I am pleased to appear before you today. I welcome the opportunity to discuss the benefits to U.S. agriculture of ending the application of the Jackson-Vanik Amendment and authorizing permanent normal trade relations (PNTR) for Russia. The U.S. Department of Agriculture strongly supports establishing PNTR with Russia and ensuring Russia remains one of our top export markets as it joins the World Trade Organization (WTO). American agricultural exports remain a bright spot in our nation's economy, supporting more than 1 million American jobs in communities across our country. "PNTR is not a favor to Russia. It is a significant opportunity for America’s farmers, ranchers and producers. It will provide improved, predictable access to Russia’s 140 million consumers and an expanding middle class that has grown by more than 50% in the last decade. "By granting Russia PNTR, the United States will not provide additional market access to our domestic market for Russian agricultural imports. We will simply make permanent the market access treatment we have been extending to Russia on an annual basis since 1992. By not granting Russia PNTR, U.S. farmers, ranchers and producers will face an uneven playing field. Their competitors in the European Union, Brazil, Argentina and WTO member countries around the globe will benefit from Russia’s guaranteed tariff treatment and obligation to apply science-based sanitary and phytosanitary standards. "U.S. agricultural exports to Russia in fiscal year 2011 were nearly $1.4 billion, contributing significantly to our agricultural trade surplus. The United States imported only $25 million of agricultural products from Russia last year. This impressive performance by U.S. exporters has been accomplished in spite of Russia’s imposition of non-science-based sanitary and phytosanitary measures and unjustified technical barriers to trade. "Russia’s membership in the WTO means: U.S. farmers and exporters will have more certain and predictable market access as a result of Russia’s commitment to avoid raising tariffs on any products above the negotiated rates and to apply non-tariff measures in a uniform and transparent manner. Russia will be obligated to apply its trade regime in a manner consistent with WTO rules, including those governing sanitary and phytosanitary measures and technical barriers to trade, limiting its ability to impose arbitrary measures that disrupt trade. Russia will be obligated to follow detailed rules governing transparency in the development of trade policies and measures. Unlike today, this will include requiring the notification of draft rules and opportunities for public comments on rules prior to their adoption. Russia’s compliance with its obligations will be enforceable through use of the WTO dispute settlement process. "Russian consumers value the quality of U.S. food and agricultural products. While U.S. exports of meat and poultry to Russia have remained strong over the past few years, we have seen growing diversification of the products we export. In fact, in fiscal year 2011, U.S. exports of live animals, eggs and egg products, tree nuts, fresh fruits, seafood, and other consumer food products reached new records. Consumer trends in Russia are resulting in greater demand for higher-value products. For example, Russia’s packaged food market has an estimated value of $100 billion and is experiencing double-digit growth."

# Aff

## Uniqueness

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#### Repeal won’t pass and Obama’s political capital isn’t key – it’s been swamped by election-year politics\*\*\*

Colley, Carroll; Director, Research at Eurasia Group - 6/21/12 (“Presidential campaign politics delays U.S. recognition of Russia at WTO,” Foreign Policy Magazine Website, <http://eurasia.foreignpolicy.com/posts/2012/06/21/presidential_campaign_politics_delays_us_recognition_of_russia_at_wto>)

While Russia will enter the WTO in late August, U.S. industry will be left on the sidelines until Congress removes the Cold War-era impediment to greater trade between the former foes. But it's a safe bet that Congress won't graduate Russia from the Jackson-Vanik amendment, which is necessary to grant permanent normal trade relations to Russia and take advantage of its accession to the WTO, before the November election. The reason? Russia is perpetually steeped in controversy, and U.S.-Russia relations have become a campaign issue in the race between Republican Mitt Romney and President Barack Obama. U.S. industry likely won't be able to take advantage of greater market access in Russia until the lame-duck session at the end of the year, and possibly later. The White House is much more focused on November 6 (Election Day) than August 23 (the approximate date of Russia's WTO entry). Only after repeated requests from Republican lawmakers for senior level officials to testify on the Hill -- widely viewed as a Republican maneuver to force the administration to speak on the record about its Russian policy -- did the administration relent by sending the duo of Deputy Secretary of State William Burns and U.S. Trade Representative Ron Kirk to testify before the House Ways and Means Committee and the Senate Finance Committee. The White House calculates that a "yes" vote on graduating Russia from Jackson-Vanik (a 1974 provision that ties trade relations to freedom of emigration and other human rights considerations) would have little electoral upside, and might even harm Obama before the election. Obama's meeting on June 18 with President Vladimir Putin on the margins of the G20 in Los Cabos seemingly failed to produce a breakthrough on Syrian policy. Headlines about ongoing arms shipments bound for Syria and the potential for continued Russian intransigence at the U.N. Security Council also represent potential political liabilities during the election home stretch, not to mention a host of domestic political issues. Romney, meanwhile, has called Russia the U.S.'s greatest political "enemy" -- and later changing that description to "foe" -- because he senses a potential weakness in an Obama foreign policy that has otherwise produced several notable successes. It would be much simpler, politically, if supporters of graduating Russia from Jackson-Vanik could cast it as a vote for American business, as Secretary of State Hillary Clinton did in a recent opinion piece. But they can't. Passage is complicated by the Magnitsky bill, human rights legislation that targets government officials involved in the case of Sergei Magnitsky, a Russian lawyer who died in police custody in 2009. Largely viewed as a replacement for Jackson-Vanik, the stated aim of the bill is to deny visas to corrupt officials, freeze any U.S. accounts they have, and publish their names. The reality is that the Obama administration last summer instituted its own visa ban and any potential offenders have long ago transferred any funds from the U.S.. The net effect of the bill, therefore, is the "naming of names," which would represent a significant embarrassment to the Putin regime. The bill enjoys broad bipartisan support, with a number of lawmakers stating publicly that passage of the Magnitsky bill is a prerequisite for their vote on Jackson-Vanik. The Obama administration has sent contradictory messages about its support for the Magnitsky bill. While originally opposing the bill, the administration seems to have accepted the inevitable and has been working with its primary author, Democratic Sen. Ben Cardin of Maryland. One recent Senate version provides for the public list as well as a confidential annex, which would largely allow the administration to circumvent the thrust of the bill by invoking national security exemptions. This is strongly opposed by a number of senior lawmakers, including Sen. John McCain, who was a co-sponsor of the effort to repeal Jackson-Vanik on the caveat of corresponding passage of the Magnitsky bill. As the August recess rapidly approaches, the window for graduating Russia from Jackson-Vanik prior to its WTO accession closes. Obama appears to have little room to maneuver in expending political capital on the matter without raising the risk of elevating Russia-and its collateral baggage including Syria, Georgia, Iran, and domestic protests-to a legitimate campaign issue. Unless Congress moves forward on its own prerogative-which appears unlikely-the repeal of Jackson-Vanik won't get passed before November, or later, leaving the world's largest economy unable to take advantage of the accession of the WTO's newest member.

#### It’s not even on the docket yet

Wall Street Journal – 6/26/12, A New Russia Rights Standard, <http://online.wsj.com/article/SB10001424052702303640804577488971542850272.html?mod=googlenews_wsj>

Earlier this spring, Republican John McCain, Independent Joe Lieberman and Mr. Cardin offered a quid pro quo: their crucial support for normalized trade ties, in exchange for the Magnitsky bill. The Administration countered by trying to keep the names of sanctioned officials secret. Republicans balked, and the version adopted unanimously on Tuesday by the Senate Foreign Relations Committee narrows the ability of the executive to classify names. The whole point of the law is to shame rights offenders. It's no surprise that Mr. Putin hates a rights bill that casts light on his regime's repression of domestic opponents. But the bill will be popular with the Russian people—see Garry Kasparov nearby—and may help deter Russians who would harm the next Magnitsky. Senate Majority Leader Harry Reid, who is no fan of trade opening, hasn't committed to a floor vote on Jackson-Vanik repeal or Magnitsky. But after Tuesday's Senate move, the Administration ought to understand that its political options are limited. If it wants normal trade relations with Russia, it will have to support the Magnitsky Act.

### Transportation Bill Thumper

#### Transportation bill just passed – that means EITHER Obama just spent all his political capital OR political capital wouldn’t be spent on the plan

Ashley Halsey III – Washington Post – 6/27/12, Congress reaches deal on transportation bill, the first since 2005, <http://www.washingtonpost.com/local/trafficandcommuting/congress-reaches-deal-on-transportation-bill-the-first-since-2005/2012/06/27/gJQA8U8W7V_print.html>

Congress has reached an agreement on a transportation bill for the first time since 2005, averting a crisis that could have disrupted the nation’s highway projects at the height of the construction season. In the final days before a deadline, Republicans dropped their demands to piggyback onto the bill approval for the Keystone oil pipeline, as well as relaxation of proposed restrictions on coal ash produced by power plants. In return, Democrats gave up on $1.4 billion for conservation and agreed to allow states more leeway in how they use money that was once mandated for landscaping, bike improvements and pedestrian walkways. “I am so glad that House Republicans met Democrats halfway, as Senate Republicans did months ago,” said Sen. Barbara Boxer (D-Calif.), the bill’s chief architect and advocate. “The bill is funded at current levels, and it will protect and create 3 million jobs.” The conference committee bill, which would maintain spending at the current level of about $54 billion a year, is set to come up for a ratification vote in both chambers this week. “This is the jobs bill for the 112th Congress,” said House transportation committee Chairman John L. Mica (R-Fla.). “This agreement will help strengthen our nation’s construction industry and provide stability to highway, bridge and infrastructure projects across the country.” The deal was struck in the shadow of a June 30 deadline, when federal highway funding was due to expire. It came after House Speaker John A. Boehner (R-Ohio) and Senate Majority Leader Harry M. Reid (D-Nev.) ordered conference committee members back to the table after talks appeared to falter last week. While the details will take several days to emerge, the bill would streamline a federal system that expanded its network of agencies and programs in a patchwork fashion to meet immediate needs, producing a cumbersome bureaucracy that has smothered state transportation projects. “We speed up project delivery, cut red tape and do it without jeopardizing environmental laws,” Boxer said. “For the first time, we send half of the funds for bike paths and pedestrian walkways directly to local entities, and we protect those funds while giving states more flexibility on their share.” The bill also would provide greater incentives for corporations to partner with government to invest in major infrastructure improvements. The agreement is a notable achievement for lawmakers, who have garnered public disdain for their inability to agree on much. But even long before partisan politics came to infuse every issue, Congress had proved itself unable to resolve the nation’s transportation needs. It last approved a long-term plan in 2005 and has extended funding at that level nine times since the measure expired almost three years ago. Democrats controlled both the House and the Senate during the first several extensions.

#### Transportation bill proves Obama doesn’t push the plan – electoral incentives mean Congress can’t say no

Roberta Rampton and Thomas Ferraro – Reuters – 6/29/12, Congress passes bill for transport jobs, student loans, <http://www.reuters.com/article/2012/06/29/us-usa-transportation-senate-idUSBRE85S19K20120629>

Congress gave final approval on Friday to a massive job-creating U.S. transportation bill that under a bipartisan deal will also keep interest rates low for millions of federal student loans and maintain federal flood insurance. The Republican-led House of Representatives and Democratic-led Senate passed the measure on back-to-back votes, clearing the way for President Barack Obama to sign it into law. In a rare display of bipartisanship, Democrats and Republicans embraced the measure largely because of $105 billion in transportation spending over the next 27 months that would create or save about 3 million jobs, a key issue in the November 6 congressional and presidential elections. "The construction sector is hurting," said Democratic Senator Barbara Boxer, who led negotiations on the bill. "This was the answer." The measure would also spare a potentially key voting block, about 7.4 million students, a doubling of interest rates on their federal college loans. After months of negotiations and jockeying for political position, the House passed the bill, 373-52. The Senate approved it, 74-19. The bill came together this week as lawmakers calculated the election-year impact of continued gridlock on measures affecting jobs, soaring consumer debt, and help for people who need government underwriting for flood risk to buy a home.

## Impacts

### A2: Relations – Magnitsky Tanks Relations

#### Repeal of Jackson-Vanik is linked to new human-rights pressures – that cancels out any gains in relations

RIA Novosti, 6/15/12 (“Russia Warns Of ‘Tough Measures’ Over Magnitsky List”, <http://en.ria.ru/russia/20120615/174048047.html>, RIA Novosti)

Moscow will introduce a number of tough retaliatory measures if Washington passes the so-called Magnitsky List bill, potentially blacklisting several dozen Russian officials from entering to the United States, Deputy Foreign Minister Sergei Ryabkov said on Friday. “If this outrageous move takes place, Moscow’s reaction will be complex, multidimensional and really tough,” Ryabkov said, adding that Moscow hoped “the worst thing [the adoption of the Magnitsky list] will not happen.” Ryabkov’s comment comes four days before the U.S. Senate Committee on Foreign Relations votes on the bill which was passed by the House of Representatives on June 7. The Magnitsky Rule of Law Accountability Act, with amendments, seeks to impose visa bans and asset freezes on the Russian officials involved in the alleged torture and murder of 37-year-old Russian anti-corruption lawyer, Sergei Magnitsky, as well as in other gross human rights abuses in Russia. Speaking about the relations between Russia and the U.S. in connection with the controversial bill, Ryabkov said that there would be “negative consequences for the whole complex of the Russian-U.S. relations” since the bill was an example of the “inadmissible” extraterritorial legislation. The U.S. National Foreign Trade Council (NFTC) has earlier urged the Congress to oppose the legislation as it would most likely hurt Russia - U.S. trade and badly damage ties.

#### Lifting of Jackson Vanik will be tied to human rights pressure – that undermines relations

Doug Palmer – Washington Post – 6/5/12, “U.S. business groups warn against Russia sanctions bill,” http://www.washingtonpost.com/world/us-business-groups-warn-against-russia-sanctions-bill/2012/06/05/gJQArxvQHV\_story.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 is expected to vote on the measure. The bill would require the United States to deny visas to 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 Foreign Affairs Committee, clearing the way for the full House to take up the measure. 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 that the Magnitsky legislation was “seriously flawed.” He said the bill would make it even more difficult to get Russia’s cooperation on a range of issues, including Iran’s nuclear ambitions and Syria’s crackdown on dissent. U.S. companies also fear that they will lose sales because Moscow will retaliate by turning to other suppliers, Reinsch said. The issue is coming to a head because the White House wants Congress to establish “permanent normal trade relations” with Russia by lifting a Cold War-era human rights provision known as the Jackson-Vanik amendment. That measure tied bilateral trade relations to the right of Russian Jews to emigrate freely, which the White House says is no longer needed and is inconsistent with the rules of the World Trade Organization, which Russia is expected to join in coming months. Although the House panel is acting first on the measure, the legislation was largely crafted by Sen. Benjamin L. Cardin (D-Md.). “Our preference is for Congress to lift Jackson-Vanik in a clean trade bill, but we understand the intent of Senator Cardin’s bill regarding Sergei Magnitsky and share the same goals of promoting respect for human rights in Russia,” said Caitlin Hayden, a National Security Council spokeswoman. She noted the administration has already used existing authorities “to ensure that no one implicated in Mr. Magnitsky’s death can travel to the United States.”

#### Jackson Vanik will be replaced by the Magnitsky bill – can’t build relations

Julian Pecquet – The Hill – 6/4/12, “House takes lead on Russian human-rights bill,” http://thehill.com/blogs/global-affairs/human-rights/230671-house-takes-the-lead-on-russian-human-rights-bill

The House Foreign Affairs Committee this week will become the first panel to vote on human-rights legislation that lawmakers of both parties say is a precondition to normalizing trade relations with Russia. The panel is scheduled to mark up the so-called Magnitsky bill, sponsored by U.S. Congressional Human Rights Commission co-chairman Rep. James McGovern (D-Mass.), on Thursday. The bill has the support of committee chairwoman Ileana Ros-Lehtinen (R-Fla.) and is expected to easily pass the House despite Russian threats of retaliation. “If this new anti-Russian law is adopted, then of course that demands measures in response,” Russian President Vladimir Putin's spokesman Yuri Ushakov said last week. The bill is named after Sergei Magnitsky, a Russian lawyer who was arrested on fraud charges and died in custody three years ago after accusing tax officials of a $230 million fraud. It would impose travel and financial sanctions on anyone “responsible for extrajudicial killings, torture or other human-rights violations committed against individuals seeking to promote human rights or to expose illegal activity carried out by officials of the government of the Russian Federation,” according to a summary, as well as officials involved in Magnitsky’s detention and death. The legislation aims to give Congress a way to pressure Moscow on human rights after the United States establishes normal trade relations with Russia, which is supposed to happen this July following Russia's accession to the World Trade Organization. The bill would replace the Jackson-Vanik amendment, Cold War-era legislation that denied favored-nation status to certain countries that restrict emigration.

### A2: Relations – Magnitsky – Tied Bills

#### Magnitsky is tied to lifting Jackson-Vanik

ICTSD (International Centre for Trade and Sustainable Development) – 6/27/12, Russia Trade Debate Ramps Up in Washington as Human Rights Legislation Moves Forward, <http://ictsd.org/i/news/bridgesweekly/136981/>

Even those that are not in favour of linking the human rights and trade bills, such as Kevin Brady - a Republican who chairs the House Ways and Means Subcommittee on Trade - have lately acknowledged that such a move might be inevitable. “I would prefer them not to be linked myself, but clearly at the end of the day if the will of the House and the Senate is to pass the Magnitsky bill, then it will be necessary,” Brady told Congressional newspaper The Hill earlier this week.

### A2: Relations – Magnitsky – A2: Obama Blocks

#### Obama won’t use political capital to block a human rights measure – he’ll accept Magnitsky for lifting Jackson-Vanik

Will Englund and Kathy Lally- The Washington Post – 5/29/12, “Russia warns of retaliation for U.S. Magnitsky bill,” <http://www.washingtonpost.com/world/europe/russia-threatens-retaliation-over-us-magnitsky-bill/2012/05/29/gJQAMWjIzU_story.html>

 “We would very much like to avoid it,” Yuri Ushakov said. “But if this new anti-Russian law is adopted, then of course that demands measures in response.” Ushakov’s comments came in an otherwise upbeat briefing on a meeting between Putin and President Obama set for June in Mexico. The Obama administration has been resisting the legislation, introduced by Sen. Benjamin L. Cardin (D-Md.), viewing it as too provocative, even as the State Department has acted on its own to refuse entry to Russian officials associated with the Magnitsky case. But in a recent interview, Cardin said he was sure the bill would pass, adding that he thinks the administration is preparing to accept the legislation if it is paired with another bill granting Russia normal trade-relation status. That is required under the terms of Russia’s accession to the World Trade Organization, one of the central achievements of Obama’s “reset” of relations with Moscow. The administration has apparently realized that it cannot stop the Magnitsky bill and will have to deal with the anger of the Russian leadership. If Ushakov’s remarks were designed to encourage a presidential veto of the bill, they are unlikely to succeed, given the difficulty the White House would face in killing a human rights measure. It could come out of committee as early as next month, according to a congressional official, who spoke on the condition of anonymity because of the sensitivity of the issue.

#### Obama won’t block Magnitsky

Bloomberg – 6/7/12, U.S. Won’t Oppose Russia Sanctions That Risk Putin Reprisal, http://russian-untouchables.com/eng/2012/06/u-s-wont-oppose-russia-sanctions-that-risk-putin-reprisal/

The U.S. administration will no longer seek to prevent Congress from passing a bill targeting human-rights offenders in Russia, a step that President Vladimir Putin has warned would spark retaliation and damage ties. The House Foreign Affairs Committee will today consider legislation that would impose U.S. travel and financial curbs on any official abusing human rights in Russia, including 60 people suspected of involvement in the death of anti-corruption lawyer Sergei Magnitsky in a Moscow jail in 2009. This will be followed at a later date by a vote in Congress on the measure. “You’d be hard pressed to find anyone who would bet against Congress expressing their concerns on the Magnitsky matter in some way,” U.S. Trade Representative Ron Kirk said today in Moscow. “It’s important to work with Congress on an appropriate mandatory response to that.” President Barack Obama’s administration is seeking to repeal trade restrictions with Russia to prevent U.S. companies from being penalized once Russian membership of the World Trade Organization takes effect later this year. A bipartisan group of senators has made a repeal of the 1974 Jackson-Vanik amendment conditional on imposing sanctions on Russian officials for human-rights violations. Such a law would be “a gross interference in Russian internal affairs and, of course, it won’t have any positive effect on U.S.-Russian ties, to put it mildly,” Konstantin Dolgov, the Foreign Ministry’s human-rights representative, told reporters in Moscow on May 15. Russia in April warned it would retaliate with unspecified measures against the law.

### A2: Russian Democracy Impact

#### Increased trade doesn’t open Russia’s economic system – that’s essential to preventing political unrest

Larison, 6/22 (Daniel Larison, PhD in history, “There Is Still No Need to Replace Jackson-Vanik” <http://www.theamericanconservative.com/larison/there-is-still-no-need-to-replace-jackson-vanik/> “The American Conservative)

There is no guarantee that repealing Jackson-Vanik and establishing normal trade relations with Russia would lead to a more “open and prosperous” Russia. Whether or not Russia becomes more “open” is entirely out of American hands. The U.S. has not been able to influence Russia’s political system for the better at any time in the last twenty years. Prosperity doesn’t necessarily lead to greater political liberalization. Clinton was overstating the case when she said that normal trade relations will “support the political and economic changes that Russia’s people are demanding.” Normal trade relations might or might not provide support for those changes. What is certain is that failing to establish normal trade relations with Russia deprives U.S. businesses of opportunities they could have.

### A2: Econ Impact

#### Economic impact is minimal – trade is small and Russia cheats

Andrew C. Kuchins – senior fellow and director of the Russia and Eurasia Program at the Center for Strategic and International Studies – 5/4/12, Vladimir Putin’s Return as Russian President, <http://csis.org/publication/vladimir-putins-return-russian-president>

The U.S. economic/business and national interest argument for granting Russia PNTR status is obvious: if we do not, we will not benefit from negotiated lower tariffs nor have recourse in trade disputes with Russia to WTO adjudication institutions. As Senate Finance Committee chairman Max Baucus said at a recent hearing, “It’s a slam dunk” in that regard. However, a positive vote on PNTR is far from a slam dunk since for many representatives and senators this vote will be a broader referendum on Russia in which concerns about Russian foreign policy, human rights, democracy, and other issues will come into play. And even though the economic argument is positive, the trade and economic relationship is quite modest—this is not like China’s PNTR 10 years ago, for example, when a huge economic relationship weighed more positively when balanced against concerns about human rights abuses and other issues. Even the economic argument is muddied by Russia’s less than stellar performance as a trade partner with its neighbors, violations of intellectual property rights, abuse of phytosanitary standards, etc. Regardless of those concerns, however, Russia will be a WTO member this summer, so it is certainly in our interests that the United States is party to Russia’s accession.