

House Committee on Foreign Affairs
Joint Hearing of the Subcommittee on
Europe and the Subcommittee on Terrorism, Nonproliferation and
Trade

A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?

Tuesday, April 27, 2010

Opening Statement of Chairman Bill Delahunt

This joint hearing will come to order.

In early 2009, the U.S. – Russian relationship was at its lowest point since the end of the Cold War. The Obama Administration came to office with a conviction that an improved bilateral relationship was essential to our national security.

After both countries hit the so called “reset button” in February 2009, significant and important developments occurred in both tone and substance in the bilateral relationship.

Some examples:

First, as a result of Russian cooperation, in less than a year 20,000 American troops headed for Afghanistan have traveled either through Russia or over Russian airspace - **saving the American taxpayers over \$133 million**. Secretary of State for Political Affairs Bill Burns recently observed that, “Russia is becoming a much more active operational partner in a collective effort to help stabilize Afghanistan and prevent violent extremism to regain a platform there.”

As to the issue of a nuclear armed Iran, there has been a shift in the Russian position regarding sanctions. It is no longer a question if sanctions should be imposed – but a question of what form they should take.

In the aftermath of the July Summit in Moscow, both presidents agreed to form the U.S.-Russia Bilateral Presidential Commission. This Commission, with 16 working groups, is dedicated to dealing with issues such as energy, terrorism, drug trafficking, science and technology, education and cultural

exchanges, and much more. Their work is progressing and reports are expected by the end of the summer.

Most importantly, on April 8th, in Prague, the US and Russia signed a historic nuclear arms reduction treaty - slashing the number of strategic nuclear warheads by one-third. This new START agreement signifies a significant change in the relationship and demonstrates to the non-nuclear world that both Russia and the U.S. are committed to advancing the cause of nuclear nonproliferation.

Furthermore, it's important to note that the "reset of the relationship" is not limited to official governmental actions, but has had an impact on Russian attitudes towards the U.S. In early 2009, **only** 38% of the Russian population had a positive attitude toward the U.S.; a year later, that number has increased by 16%. Now, some 54% of the Russian people have a favorable view of the U.S.

Yes, it's my opinion that the bilateral relationship has improved, and I believe it's imperative to our national security to sustain this momentum. Let us never forget that the U.S. and Russia possess 96% of the world's nuclear weapons. If for no other reason, this reality makes this a most critical bilateral relationship, and should underscore the need to sustain and enhance the positive trends that have developed over the past year.

Clearly, there remain disagreements and contentious issues between us that need to be addressed.

One of the most obvious irritants in the bilateral relationship from the Russian perspective is the continued application to Russia of Section 402 of the Trade Act of 1974 – the so called Jackson-Vanik Amendment.

The Amendment imposed trade restrictions on those countries who denied its citizens the right of freedom of emigration. The genesis of the amendment was the Soviet Union's refusal to allow Soviet Jews to travel overseas. But the reality is that Russia – as the successor to the Soviet Union – has fully complied with the Amendment's requirements, as concluded by a Presidential compliance determination, since 1994 – 16 years ago! And yet, Congress has failed to graduate Russia from the Amendment.

Ironically, Russia and Israel recently implemented a visa-free travel program for their nationals traveling between their countries.

This program eliminates the arduous process of filling out the extensive Russian visa application and navigating the Russian bureaucracy. It would appear that Russia and Israel enjoy a special relationship. It's interesting to note that neither Israel nor Russia participate in our Visa Waiver Program.

I believe we should take the advice of the co-author of this Amendment, the late Congressman Charles Vanik, who stated in 1989 that, "the Soviet Union has freed up emigration to the point that it makes sense to waive the Jackson-Vanik amendment and restore normal trade tariff conditions to Moscow." It's time for the U.S. Congress to act.

And we have a precedent for graduating countries from Jackson-Vanik. For instance, even though China remains a communist country today, in 1999 Congress graduated them from all aspects of Title IV of the 1974 Trade Act, paving the way for China's accession to the WTO. And yet Russia has not acceded to the WTO.

Russia has satisfied the requirements articulated by the Amendment – and we must not move the goal posts and ask for further concessions that are irrelevant to the Amendment. Changing the rules of the game seriously undermines our credibility, and breeds resentment that affects the relationship and our bona fides as a potential partner.

Not only would graduating Russia bring economic and commercial benefits, encouraging American companies to increase investments in Russia, but it will send a clear and distinct message to the Russian people that the US is serious on forging a more dynamic and cohesive partnership.