

June 12, 2012

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

On behalf of TechAmerica, the U.S. technology industry's largest advocacy organization representing over 1,000 of the country's leading innovative companies, we voice our strong support for recently introduced legislation that will graduate Russia from the Jackson-Vanik amendment and establish Permanent Normal Trade Relations (PNTR).

Currently, Russia is expected to officially join the WTO in August and unless Congress doesn't repeal the Jackson-Vanik amendment, American companies will be forced to watch from the sideline as foreign competitors take advantage of Russia opening its market through tariff reductions and the removal of other trade barriers under the WTO.

As you know, Russia is an important part of U.S. business' global strategy to create and sustain jobs at home by enhancing our long-term competitiveness abroad. Without PNTR, U.S. technology companies and workers will be left behind our global competitors in this growing and profitable market. Currently, the U.S. trade deficit with Russia exceeds over \$26 billion with only \$8.3 billion in exports to Russia. In order to balance the trade deficit, create jobs and increase exports, we strongly encourage Congress to take immediate action on granting Russia with PNTR status.

Currently, Russia is the world's 11th largest economy and is already Europe's largest consumer market. In recent years, Russia's has shown significant growth in demand for technology products and services and has committed to join the Information Technology Agreement (ITA) upon accession to the WTO, reducing tariffs on technology products to zero. Yet, many of Russia's WTO commitments that will greatly alleviate its foreign direct investment climate, such as its adherence to the rules of the international trading system with respect to intellectual property rights, 100% foreign ownership of companies, and liberalizations of key sectors will be out of the United States' reach -- unless Congress passes Russia PNTR legislation.

Thank you for your consideration of our views on this important matter. TechAmerica stands ready to work with Congress to grant Russia PNTR status by advocating for a balanced approach that supports America's competitiveness in the international market, while creating jobs for Americans.

Sincerely,



Kevin M. Richards
Senior Vice President, Federal Government Affairs

cc: Members of the U.S. Senate Committee on Finance