



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Senate Passage of Jackson-Vanik Repeal for Ukraine
Da: Friday, Nov. 18, 2005

Today the United States Senate passed S.632, a bill that extends permanent normal trade relations to Ukraine and repeals application of the Jackson-Vanik amendment with respect to Ukraine. Senator Chuck Grassley, chairman of the Committee on Finance which has jurisdiction over international trade matters, offered the following comments on the Senate's action:

"Today the Senate sent a strong signal of our support for the democratic transformation and economic reform taking place in Ukraine. I realize that much more needs to be done. But compared to the situation in Ukraine just one year ago, I think the progress they've made is impressive. I'm particularly impressed by President Yuschenko's commitment to reform. Back in 2002, we were forced to impose \$75 million in retaliatory sanctions on imports from Ukraine because of a gap in Ukraine's intellectual property laws. But this past July, President Yuschenko pushed legislation through Ukraine's parliament to protect copyrights on digital media. As a result, Ambassador Portman was able to lift those sanctions in August.

"Unfortunately, there's still opposition to economic reform in Ukraine. In fact, Ukraine's parliament recently passed some protectionist legislation to ban poultry imports for six months. But President Yuschenko vetoed that legislation because he saw it wouldn't be consistent with international trade rules under the World Trade Organization. I wish all our trading partners demonstrated that kind of respect for the rule of law.

"President Yuschenko has demonstrated his commitment to reform in other ways. He's reached out and engaged the international Jewish community. His government has been quick to respond to incidents of anti-Semitism. In September, his outreach culminated with an announcement by the National Conference on Soviet Jewry of its support for graduating Ukraine from Jackson-Vanik.

"The Administration is also supportive. President Bush announced his support for lifting Jackson-Vanik with respect to Ukraine earlier this year. And just last week I received a strong letter of support for S.632 from Secretary Rice. I hope the House takes up similar legislation and passes it without delay. But that's not the end of the story. Ukraine has much more work to do before joining the World Trade Organization, particularly with respect to enforcing laws that are on the books. Ukraine's not going to draw more foreign investment if investors don't have confidence in the rule of law. I'll continue to monitor developments in Ukraine closely as the accession negotiations proceed."

