

**Remarks of U.S. Trade Representative Rob Portman
And Ukraine Minister of Economy Arseniy Yatsenyuk
Signing Ceremony of the
U.S. – Ukraine
WTO Bilateral Market Access Agreement
Washington, D.C.
March 6, 2006**

Ambassador Portman: Good afternoon, everyone. I want to welcome you here today for what is a wonderful occasion, and that is the signing of our Bilateral Market Access Agreement. Mr. Minister, it proves the old adage that good things are worth waiting for, and we've waited a while for this – since 1994. It's a result of a lot of hard work by a lot of people in this room today. I want to congratulate them.

It's a good, solid agreement that will create closer trade ties between our two countries, Ukraine and the United States. We're each blessed with rich, fertile farmland, with a solid industrial base. Many benefits will flow from more open trade between our two countries.

Equally important, this agreement helps move Ukraine closer to reaching its ultimate goal of joining the World Trade Organization. President Bush made completion of our Bilateral Market Access Agreement and Ukraine's membership in the WTO a high priority during President Yushchenko's visit here last April. In a joint statement the two Presidents declared, "We commit our two nations to stand together as global partners for freedom, security, and prosperity in the 21st Century." What we will sign today is a first, good step in that direction.

That meeting in April was just around the time that I became US Trade Representative, and I remember very distinctly hearing from the President that this was a top priority of his, and thus it became a top priority of mine and we've worked hard together to get to this point.

For those of you who aren't familiar with the WTO accession process, I can tell you it's a tough, complicated commercial negotiation and it does take hard work and the ability on both sides to reach common ground.

Ukraine started the process of joining the GATT which is now the WTO as I said, over two decades ago. Ukraine has made significant strides to join the global economy by reforming its trade regime. It's taken great courage and great conviction.

We are good friends and partners but we have had our differences notably in the area of intellectual property protection. Ukraine has made some very significant changes and we know that Ukraine is determined to continue the process by strict enforcement of intellectual property rights protections. This commitment helped us get over the finish line on this accession.

Minister Yatsenyuk and I had the opportunity to meet earlier today and discuss our plans to continue to work together on many issues, including multilateral negotiations to complete the WTO accession process. There is still work to do including working with their parliament, the Rada, to pass implementing legislation and regulations.

I want to thank you, all those members who are here from our team at USTR, at Commerce, Agriculture, Treasury Department, State Department, and I want to thank you, Mr. Minister, and members of your team, particularly Deputy Minister Pyatnytskiy, for their very professional efforts.

Before I invite my young and distinguished colleague Minister Yatsenyuk to speak, I want to recognize if I could a few key members who are in the audience and have come to join us. First, the Secretary of Agriculture Mike Johanns is here. He has been a great partner with USTR in trade and I'm going to ask Secretary Johanns to say a couple of words following your comments, Mr. Minister.

Second, Dave Sampson, Deputy Secretary of Commerce. David was in Ukraine only two weeks ago, and one of the things we are celebrating here today too is market access. Along with the market access agreement is the market economy status.

I also want to thank the Undersecretary at the Department of State who is a former US Trade Representative Deputy, Ambassador Josette Shiner. Thank her for her hard work on getting us to this point even before she went to the State Department.

And David Spooner is also with us, a USTR alum and Assistant Secretary of Commerce. And other members of our team.

Several months ago I had the pleasure of meeting with Prime Minister Yehanurov and Minister Yatsenyuk in my office and after that meeting the Minister approached me and he gave me this pen, which is the nicest pen I think I have ever used. He said, "Soon we will be using this pen to sign an agreement." I told him earlier today he was a little more optimistic than I was in terms of the timing, because we still had a lot of tough issues to address at that point. But we've worked hard and I'm very proud of our USTR team, our interagency team, to get us to this point, and I'm very pleased today to be able to use this pen, along with others, to sign this important agreement.

Mr. Minister, let me turn the floor over to you, and then we will sign this historic agreement. Welcome.

Minister Yatsenyuk: Thank you, sir.

Dear Mr. Ambassador, dear ladies and gentlemen, a great day and big deal. It was very tough work and the wait was very long, but we did it.

I'm sure that this bilateral is a bilateral of mutual interest. No losers and no winners. You have a very professional team and I would like to say a special thanks to Dorothy Dwoskin and to Cecilia Klein. They were so patient, they were so efficient, and as I already said, we are very good students and our future activity will be definitely oriented on the way as Dorothy Dwoskin [inaudible], negotiate and work within the USTR.

Due to this bilateral Ukraine will definitely be a member of the world club which is called WTO. We need this. We need this for economic growth, we need this for economic prosperity, and we need this for our bilateral relationship. We have opened the market for the US for the goods we

imported from the United States and we strongly believe that sometime we'll sometime export something to the United States too.

Anyway, these rules are very clear. These rules are efficient and we, as a future member of the WTO, strongly believe that Ukraine and economic growth will rely on WTO rules too.

On our further relationship, I am sure that we have a lot of homework to do and that's the second step because the first step was market economy status; the second step is bilateral; the third I hope WTO accession; and we have a lot of things to do.

I express my sincere enthusiasm and I would like to thank my negotiating team and your negotiating team for perfect work which has been done by both of our teams.

Thanks.

Ambassador Portman: Mr. Secretary, would you like to say a few words?

Secretary Johanns: I thank the Ambassador for offering me an opportunity just to say a few words. I came over here today not planning to say anything, but the Ambassador will understand I'm a recovering politician, so when I'm offered the podium I have to say a few words.

I am enormously proud of what's happening today. A lot of good work. I'm really here today to be a cheerleader, to give you both a big pat on the back. Both nations can be very proud of what's been accomplished.

I must admit, I looked at all the work to be done and I wondered how it would get done but it in fact has occurred.

I remember not so long ago, a few months back, when your President was here and I listened to him speak to the joint session. I have to tell you, I was very proud of him and what he had accomplished and what he wanted to accomplish for his country. Today a big step forward has been made.

The last thing I wanted to indicate, as you continue to address the very heavy lifting of moving forward in the WTO accession, let me just assure you that on the agricultural side of things we'll do everything we can to be a partner with you, Mr. Minister, and a partner with you, Mr. Ambassador. Good work, both of you. We're proud of you. Thank you.

Ambassador Portman: Now we will sign.

Voice: Are you sure? [Laughter].

[Documents signed].

[Applause].

Ambassador Portman: Questions? We'll try to go back and forth, Ukraine and US.

Question: Good afternoon, gentlemen.

To Minister Yatsenyuk. Sir, what exactly Ukraine is achieving by completion of these talks in terms of gaining access to US markets. Could you expand on that a little bit, please?

And to Ambassador Portman, a somewhat traditional question. Do you think it is possible to complete some other talks with Russia by the time G8 leaders come to St. Petersburg? Thank you.

Minister Yatsenyuk: You will receive this information on Ukrainian web site.

Ambassador Portman: This is a good agreement for both sides. There are advantages for US exporters as well as Ukraine exporters, but what it really does is it permits us to deepen our trade and investment relationship in ways that will be beneficial to the citizens of both of our countries. We expect to do the same with Russia.

We have a negotiation ongoing, as you know, with Russia on the bilateral, the same process I announced earlier will have to occur, because there is the multilateral agreement and ultimate accession. In both cases, as you know, our Congress is involved because of the Jackson-Vanik legislation and the need to pass legislation providing for permanent normal trade relations, PNTR.

So we need to be sure that the agreements are sound from our point of view and that the US Congress sees them as such. So we are working very hard to complete our bilateral agreement with Russia and we're also working hard, frankly, with the US Congress on both the Ukraine agreement and the Russia agreement to be sure we can take them both through the process, the political process, here.

You didn't ask me this question, but I will tell you, we hope that that process will move relatively quickly. You asked whether I have confidence that it will happen before the G8 Summit, I certainly hope so. It would be in our interest. We have said forever that the US point of view is a very simple one. We think it's good for the United States and incidentally for Ukraine and for Russia to be members of the rules-based international system. That continues to be our position.

Minister Yatsenyuk: There is no way to describe this agreement in monochrome. Is it good or is it bad? This definitely is very good for both of us.

Talking about Russia, we strongly support accession of Russian Federation to the WTO because we have to act and to exist in similar legal environment which is called WTO regulations.

Question: I apologize because it might be essentially the same question, but are you urging Congress to approve graduation from Jackson-Vanik before completion of the multilateral agreement? And also, where does Ukraine stand in that process of completing the multilateral agreement? With this agreement today, what percentage of the way is Ukraine towards becoming a full-fledged WTO member, if it's possible to put it in those terms?

Ambassador Portman: I'll allow my colleague to talk more specifically about the multilateral agreement, but with regard to the US Congress, yes, we are urging them to move as quickly as possible now that the bilateral agreement has been completed.

I would also say that this is not just a market access agreement. If you look at the commitments that we have received on the rules side, including intellectual property rights, as I said earlier, Ukraine particularly since 2005 has made very significant progress. It involves some of the multilateral issues. So I think this is a good bilateral agreement, but I think it also, from a US perspective at least, helps you with regard to the multilateral agreement.

I told the Minister today, the United States will be working with Ukraine but also working with other WTO members to ensure that the multilateral process is equally successful.

To answer your specific question, we think now that the bilateral agreement has been signed and we have those commitments that even exceed the bilateral market access area that Congress should act and act quickly.

The United States Senate acted, as you know, in November of 2005 to waive Jackson-Vanik for Ukraine. The House has not yet acted but we are in discussions and we would hope that the Congress would act quickly.

Question: Would you want them to act on the Russian Jackson-Vanik at the same time as they consider Ukraine?

Ambassador Portman: As soon as we have the bilateral done. Again, we're working hard on that. We're hopeful that we can resolve our remaining differences and do so in a relatively short period of time, but at this point we're not quite there yet.

Minister Yatsenyuk: You know that we have been trying to access WTO for more than 14 years so we have a huge experience in these kind of things. I'm sure that we shall finalize our multilateral in the nearest future because we are in the final stage. Working part the technical, working part the meeting will be conducted in two weeks. And it depends on Ukrainian parliament because we have [inaudible] piece of legislation, a set of six different laws, direct laws, which have to be adopted by Ukrainian Rada. We strongly believe that Ukrainian MPs will assist us and will back Ukrainian efforts to access WTO.

Question: A question for the Minister.

In recent press reports it was noted that we still have a handful of similar agreements to negotiate and sign before you become a member of the WTO, and it mentioned Australia as being one of the stumbling blocks. Could you focus on some of the, shall we say, stumbling blocks along the way that you envision in the near future in these negotiations?

Minister Yatsenyuk: A few bilaterals left. Talking about Australia, we've received fresh information on our bilateral with Australia. It seems to me that we are both very flexible right now. I would like to underline very flexible. And probably in the nearest future we shall have a bilateral with Australia, too. The main issue is usually [inaudible]. Sorry, I forgot about other

bilaterals. Due to the reasons that we shall definitely finalize them. Some bilaterals already finalized, but the formal procedure of signing of these bilaterals suspended due to some reasons.

We are very decisive right now and we are trying to reach our target with another four bilaterals in the nearest future. It's Chinese, Taipei, Colombia, Panama, Kyrgyzstan, former Soviet Republic, and that's it.

Ambassador Portman: Other questions?

Thank you all very much. May I take a moment and thank, I see some additional USTR people have now arrived. I want to thank Dorothy Dwoskin officially, Assistant US Trade Representative, lead negotiator. But also her team, Cecilia Klein was mentioned; also Catherine Field and Laurie Molnar. I see the Deputy USTR, Susan Schwab has arrived, Ambassador Schwab, and also Ambassador Donnelly is here. And Chief of Staff Rob Lehman I see at the back. So I told the Minister, this is an agreement that everybody wanted to be part of because it's been a very positive experience and therefore we have a very strong showing from our interagency group. It's a tribute to the professionalism of the Ukrainian team that we are able to resolve our issues as rapidly as we were, and I want to congratulate again you, Mr. Minister, and your country.

Thank you all.

[Applause].

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