United States Senate
WASHINGTON, DC 20510

October 17, 2011

Hon. Hillary Clinton
United States Secretary of State
2201 C Street, NW
Washington, DC 20520

Hon. Ron Kirk
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Secretary Clinton and Ambassador Kirk:

We are concerned about reports that the United States may endorse Russian membership in the World Trade Organization (WTO) in spite of larger strategic challenges in the U.S.-Russia relationship. These challenges, which we believe have taken a lower profile since the advent of the Administration's "Reset" policy with Russia, impact the national interests of the United States and our security partners.

In particular, we are concerned that the Republic of Georgia, a strong security partner of the United States' which has made considerable progress in its post-communist efforts to implement democratic and market reforms, has not yet endorsed Russian membership in the WTO due to the ongoing presence of Russian troops inside of its international boundaries. As you are well aware, the United States continues to oppose the presence of Russian troops in the Georgian provinces of Abkhazia and South Ossetia, which were invaded by Russia in August 2008.

Inherent in WTO membership is each member state's acceptance of certain norms, rules, institutions, and dispute settlement processes. Among peaceful trading nations, international borders serve as customs checkpoints. Responsible nations monitor the goods that flow in and out of their borders, collect duties and tariffs, and ensure that illegal or dangerous materials are interdicted. It should not come as any surprise that Georgian leaders are insisting on maintaining at least some semblance of territorial integrity through the customs process. Without such recognition, agreeing to Russian WTO accession could be considered tantamount to international ratification of a new border arrangement imposed by Russia through force of arms. We fail to see how this outcome could possibly be in the United States' national interest.

The Government of Switzerland has been serving as a key interlocutor in negotiations between the Russian and Georgian governments in hopes that a mechanism can be found that satisfies both nations' needs. The Georgian government has publicly stated that it cannot agree to any WTO accession by Russia that falls short of human (as opposed to exclusively electronic) monitors on Georgia's internationally-recognized borders. Georgia has conceded that these officials can be international, rather than Georgian, customs officials. Thus far Russia has refused this offer. It is our understanding that another round of negotiations is scheduled for this week.

The Administration's rationale for engaging in negotiations over Russia's WTO accession appears to be based on two key factors: 1) binding Russia more firmly into international institutions will positively impact its domestic institutions and behavior; and 2) giving American businesses the opportunity for dispute settlement and arbitration with the Russian government will generate the confidence needed for investment and spur job creation. We are concerned that if Russia gains admission to the WTO without a workable construct on its Georgian border, both outcomes could be threatened. First, a Russian accession plan founded upon disrespect for international law bodes poorly for Russia's future cooperation; and second, a flawed arrangement with Georgia could threaten Congressional approval of Permanent Normal Trade Relations (PNTR) with Russia, which is required to allow U.S. companies to take full advantage of WTO adjudication mechanisms.

As a current member of the WTO, a consensus-based international organization, Georgia has the right to veto Russian membership. However, we believe it would be both unfair to our security partner Georgia and set a very damaging precedent if the United States forced Georgia alone to veto Russian accession or pressured Georgia into agreeing to terms that Georgia finds unacceptable. We are also concerned that any deal ultimately agreed upon between Russia and Georgia over its customs relationship contains enforceable penalties should either side violate the agreement. Since a deal between these nations is being negotiated as a side deal and has no enforcement provisions under the WTO itself, the United States cannot be party to any outcome which allows Russia to break its commitment after accession is completed.

We believe that U.S. trade policy is as important today as it has ever been. We are not going to create jobs or grow out of our current economic problems without robust international trade and investment. But our trade policies must always respect broad national strategic considerations. We believe that a world in which Russia is included in and truly respects the rules of international organizations is both a safer and wealthier place. However, we must recognize the message that it would send to the world if the United States glosses over important national security and international legal issues to allow Russia into the WTO. Our support for Russian PNTR will be contingent on our belief that a compromise between Russia and Georgia has been reached that does not disrespect Georgia's security considerations and future sovereignty.

Sincerely,

Roy Blunt
United States Senator

James Inhofe
United States Senator