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July 25, 2012

The Honorable Barack Obama President 1600 Pennsylvania Avenue Washington, DC 20500

The Honorable Harry Reid Majority Leader U.S. Senate Washington, DC 20510

The Honorable John Boehner Speaker of the House U.S. House of Representatives Washington, DC 20515 The Honorable Mitch McConnell Minority Leader U.S. Senate Washington, DC 20510

The Honorable Nancy Pelosi Minority Leader U.S. House of Representatives Washington, DC 20515

Dear President Obama, Majority Leader Reid, Minority Leader McConnell, Speaker Boehner, and Minority Leader Pelosi:

We are writing to request that you work together to approve, before the August congressional recess, legislation to graduate Russia from the Jackson-Vanik amendment and establish Permanent Normal Trade Relations (PNTR) with Russia.

As Governors, we know from first-hand experience in our states that expanding opportunities for international trade and attracting foreign investment are essential to promoting U.S. economic growth and creating new and better jobs. Russia's impending membership in the World Trade Organization (WTO) offers a significant opportunity to increase our trade and investment with the world's ninth largest economy.

Russia is expected to join the WTO this summer, at which point Russia will begin to significantly open its markets to other countries. With about 142 million people and a growing middle class, Russia's joining the WTO offers our companies, workers and farmers tremendous new opportunities to sell their goods and services.

U.S. exports to Russia have been growing in recent years, but not as quickly as those of our foreign competitors to Russia. According to some estimates, Russia's accession to the WTO could—provided Congress approves PNTR for Russia—double U.S. exports from about \$11 billion in 2011 to \$22 billion in 2017, adding jobs in services, agriculture, and manufacturing.

From our perspective as Governors, we see the potential for each of our states to increase their exports to Russia, but Congress needs to pass PNTR to help realize this potential.

The companies, workers and farmers in our states are ready to take full advantage of Russia opening its markets when it joins the WTO this summer. Our problem is they can't until the Congress passes the necessary PNTR legislation.

As you know, the U.S. economic benefits from Russia's accession to the WTO are not guaranteed. The United States will be able to enjoy all the benefits of Russia's accession *only* if Congress passes legislation to graduate Russia from the Jackson-Vanik amendment and to establish PNTR with Russia. If Congress does not act, Russia will still be able to join the WTO, and our foreign competitors from the other 150+ WTO member countries, rather than our constituents, will get the full and enforceable benefits from Russia's new open markets.

We also encourage the United States Trade Representative (USTR) to hold Russia accountable in reducing non-tariff trade barriers for our agricultural and industrial products and services, and ensure that trade decisions are science-based. Our farmers, ranchers and manufacturers deserve nothing less.

Economic growth and job creation are the overarching priority at all levels of government today. We hope you will work together to pass PNTR legislation before August to ensure that American companies, workers and farmers can effectively compete in Russia when it joins the WTO this summer. We stand ready to support you in this effort.

Sincerely,

Governor Christine O. Gregoire

Washington

Governor Mike Beebe

Arkansas

Governor Terry Branstad

Iowa

Governor Gary Herbert

Utah

Governor Dennis Daugaard

South Dakota

Governor Rick Snyder

Michigan

Zovernor Jack Dalrymple

North Dakota

Governor Nathan Deal

Georgia

Governor Dannel Malloy Connecticut

Jack Markell Governor Jack Markell

Delaware

Governor Phil Bryant Mississippi

Governor Edmund G Brown California

Governor Nikki Haley South Carolina

Governor Robert Bentley

Alabama

Governor Peter Shumlin Vermont

cc: The Honorable Ron Kirk, Ambassador, Office of the U.S. Trade Representative