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# U.S., Russia Race To Strike a Deal On WTO Entry

White House Presses Kremlin For Free-Trade Assurances; Congressional Wild Card

By YOCHI J. DREAZEN and GREG HITT July 11, 2006; Page A5

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WASHINGTON -- The Bush administration's top trade officials are making a last-ditch push to complete an agreement allowing Russia into the World Trade Organization, a long-standing Russian demand that has threatened to overshadow the coming Group of Eight summit.

National Security Adviser Stephen Hadley said the administration hoped to strike a deal in coming days, but cautioned that Russia had to make additional assurances about its commitment to free trade before the White House would be willing to sign off on an agreement. Russia formally applied to the 149-nation body in 1993 and has won approval from all member nations except the U.S. Russian President Vladimir Putin sees the WTO issue as a key priority in his dealings with President Bush.

The principal U.S. negotiator on the issue, Dorothy Dwoskin, a senior official at the Office of the U.S. Trade Representative, arrived in Moscow yesterday and Mr. Hadley said U.S. Trade Representative Susan Schwab would travel to Russia this week to "see if we can close the deal." He cautioned there were several obstacles standing in the way of a deal, and USTR officials said Ms. Schwab would make the trip only if there were indications that "significant progress" had been made toward resolving them.

"Both sides have made movement," Mr. Hadley said. "We think it's possible, but it's going to take a big effort. Particularly, it's going to take further movement on the Russian side."

Mr. Hadley said the two countries were still divided over a pair of issues, which he declined to specify. Other U.S. officials said yesterday that the U.S. had lingering concerns over Russia's commitments to intellectual-property protection, regulations that make it difficult for foreign banks to operate in Russia, and Moscow's occasional use of sanitary measures that limit the importation of foreign agricultural goods.

The impasse between the two countries is shaping up as a major early test for this weekend's G-8 summit in St. Petersburg, Russia, an event that Mr. Putin hopes will showcase his country's resurgence as a global power.

Senior aides to Mr. Putin have said Moscow hoped to win final U.S. approval during a bilateral summit between Messrs. Bush and Putin on the eve of the gathering, so a failure to reach such an agreement would represent a high-profile setback. Russian officials have also linked progress on the WTO negotiations to the participation of U.S. companies in a major deal with Russian gas monopoly OAO Gazprom, so the deadlock could have a significant impact on several large American companies.

Even if the administration strikes a deal with Mr. Putin, the agreement may have a tough time winning congressional approval given the anti-Russian sentiments being expressed by lawmakers of both parties concerned by Mr. Putin's continuing antidemocratic crackdown.

In mid-May, for example, a bipartisan array of powerful lawmakers said they would work to block Russia's entry into the WTO unless the administration won ironclad assurances of Moscow's commitment to protect intellectual-property rights. The letter from the chairmen and ranking members of the Senate Finance Committee and the House Ways and Means Committee also expressed doubts about Russia's commitment to international standards for agricultural trade.

"Every prospective WTO member, however, must demonstrate its willingness, ability and commitment to abide by WTO rules. Unfortunately, Russia has not yet done so," they wrote at the time.

Other lawmakers have proposed measures that would block funding for the administration to continue negotiations with Russia over a WTO deal.

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