

**Resolution of the Board of Directors
In Support of Permanent Waiver of the Jackson-Vanik Amendment as
applied to Russia and Russia's Prompt Accession
to the World Trade Organization**

The Greater Houston Partnership supports a permanent waiver of the Jackson-Vanik amendment to the Section 401 of the Title IV of the Trade Act of 1974 as applied to Russia and Russia's prompt accession to the World Trade Organization. As such, it could potentially increase the flow of trade between the Houston region, as well as the rest of the United States, and Russia.

Daniel J. Wolterman, Chairman

Jeff Moseley, President & CEO

Daniel G. Bellow, Secretary

MEMORANDUM

DATE: February 6, 2008

TO: Board of Directors

FROM: World Trade Supervisory Board

SUBJECT: Recommendation to Advocate a Waiver of the Jackson-Vanik Amendment for Russia

RECOMMENDATION

The Greater Houston Partnership supports a permanent waiver of the Jackson-Vanik amendment to the Section 401 of the Title IV of the Trade Act of 1974 as applied to Russia and Russia's prompt accession to the World Trade Organization. As such, it could potentially increase the flow of trade between the Houston region, as well as the rest of the United States, and Russia.

BACKGROUND

Russia applied for accession to the World Trade Organization (WTO) in 1993, but concerns over the country's tariffs, trade barriers, intellectual property rights, and other issues have inhibited its accession. The U.S. and Russia have already signed a bilateral trade agreement contingent upon Russia's accession to the WTO. Until Russia concludes negotiations with the WTO's governing body (known as the Working Party) the country will not be admitted.

The Jackson-Vanik amendment denies Normal Trade Relations (NTR) to countries that restrict emigration. The U.S. continues to apply the Jackson-Vanik amendment to Russia, offering NTR on a conditional basis, annually, decided by the President. The President's decision is subject to congressional approval. The waiver has been virtually unopposed in Congress since 1994.

Russia continues to press for permanent removal of the Jackson-Vanik Amendment, claiming it does not reflect the country's move toward democracy and a more market-oriented economy.

The Greater Houston Partnership supports a permanent waiver of the Jackson-Vanik amendment as applied to Russia, which will in turn permit NTR with Russia. A permanent waiver will also help Russia gain accession to the WTO, a very important step toward enhancing both the Houston region's and the entire country's trade relations with Russia. In 2006, total trade between Houston and Russia was valued at \$4.6 billion.

IMPLEMENTATION

Communicate position to U.S. congressional delegation in the Houston region.

RESOURCES REQUIRED

This position can be implemented without current budgetary constraints.