

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

April 24, 2013

The Honorable John Boehner
Speaker
United States House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

On behalf of President Obama, I am pleased to notify the Congress that we intend to include Japan, the country with the third largest economy in the world, in the ongoing negotiations of the Trans-Pacific Partnership (TPP) Agreement. As stated in the December 2009 letter from Ambassador Kirk notifying the Congress of our intention to enter into the TPP negotiations, the United States views a TPP Agreement as a means to advance U.S. economic interests with the fastest-growing region in the world and as a potential platform for economic integration across the Asia-Pacific region. A TPP Agreement will also serve as a tool to expand U.S. exports which is critical to our continued economic recovery and to the creation and retention of high-paying, high-quality jobs in the United States. Japan's participation in the TPP negotiations will contribute meaningfully to those goals and to the development of the high-standard, 21st century, regional trade agreement we are seeking.

The participation of Japan, a major U.S. trading partner as well as close ally, further increases the economic significance of a TPP Agreement. Japan is currently the fourth-largest goods trading partner of the United States. The United States exported \$70 billion in goods to Japan in 2012 and an estimated \$47 billion in services in 2012. With Japan's entry, TPP countries would account for nearly 40 percent of global GDP and about one-third of all world trade.

In light of Japan's interest in participating in negotiations that are both advanced and quickly moving toward completion, we focused in our bilateral consultations with Japan on its readiness to pursue the high-standard, comprehensive objectives that the TPP countries are seeking. We also focused on seeking to ensure that Japan's participation would not slow down the negotiations as we have arrived at an advanced stage of the negotiations and TPP countries are aiming to conclude them this year. In response and with full recognition of the above, Japan has confirmed that it will participate positively and constructively in the negotiations. Japan also has confirmed that it will subject all goods to negotiation – both agricultural and manufactured goods – and will join the other TPP countries to achieve a high-standard and comprehensive agreement this year.

In addition, and as a result of in-depth, detailed consultations with Japan since February 2012 on specific bilateral issues of concern in the automotive and insurance sectors, as well as on non-tariff measures that Japan maintains in other areas, we concluded and announced on April 12, 2013, a robust package of agreements with Japan and actions by Japan. In recognition of the importance of addressing long-standing, serious concerns with Japan in the automotive sector, we reached agreement with Japan with respect to the treatment of U.S. motor vehicle tariffs, and

also agreed to conduct bilateral, parallel negotiations on a range of issues of concern to the United States in the automotive sector, including to address non-tariff measures. We view these negotiations as a key opportunity to level the playing field for U.S. companies, which continue to face a wide range of barriers in this sector. The outcomes of these bilateral negotiations on motor vehicles will be incorporated as commitments in our final bilateral market access package in the TPP Agreement and subject to dispute settlement. Furthermore, we have agreed to bilateral, parallel negotiations with Japan on other non-tariff measures, including in the insurance sector, as an additional avenue for the United States to address a range of additional sector-specific and cross-cutting issues. We will consult rigorously and extensively with the Congress on the elements of these bilateral, parallel negotiations as we proceed.

We also will continue to consult rigorously and extensively with Congress on all elements of the TPP negotiations as they proceed. As we have done thus far, we will work with Congress as we use the TPP Agreement to promote new technologies and emerging economic sectors, create new opportunities for U.S. exporters, including small- and medium-sized businesses, in the region, and help U.S. firms participate in production and supply chains in order to encourage investment and production in the United States. In addition, we will continue to consult closely with Congress on elements related to environmental protection and conservation, transparency, workers' rights and protections, and development.

We value the partnership we have established with Congress on the TPP negotiations and look forward to maintaining it as we discuss U.S. objectives and carry out negotiations to conclude this important new agreement.

Sincerely,



Ambassador Demetrios Marantis
Acting United States Trade Representative