

October 7, 2019

His Excellency
Mr. SUGIYAMA Shinsuke
Ambassador of Japan to the United States of America

Excellency,

In connection with the signing of the Trade Agreement between the United States of America and Japan (the Agreement), I have the honor to confirm the following understanding reached between representatives of the Government of the United States of America and the Government of Japan regarding alcoholic beverages:

1. The U.S. Department of the Treasury shall take final action on the rulemakings that propose to eliminate or liberalize standards of fill for wine (Docket No. TTB-2019-0004, Notice No. 182, July 1, 2019) and distilled spirits (Docket No. TTB-2019-0005, Notice No. 183, July 1, 2019). If those actions do not address standards of fill for wine in 180 milliliter, 300 milliliter, 360 milliliter, 550 milliliter, 720 milliliter, and 1.8 liter sizes and for distilled spirits in 700 milliliter, 720 milliliter, 900 milliliter, and 1.8 liter sizes, then the U.S. Department of the Treasury shall propose new rulemaking to allow standards of fill for wine in 180 milliliter, 300 milliliter, 360 milliliter, 550 milliliter, 720 milliliter, and 1.8 liter sizes and for distilled spirits in 700 milliliter, 720 milliliter, 900 milliliter, and 1.8 liter sizes, and shall take final action with respect to that proposal.
2. The United States shall, within 120 days of the entry into force of this understanding, and upon request thereafter, until a determination has been made on each name, provide an update on the process to consider, in accordance with its applicable laws and regulations, prohibiting the sale of certain products in the United States, as set out in paragraph 2 of the understanding reached on February 4, 2016, between the Government of the United States and the Government of Japan regarding product names. Pursuant to paragraph 3 of that understanding, the United States shall also initiate the process to consider, in accordance with its applicable laws and regulations, prohibiting the sale of Yamagata sake, Nadagogo sake, and Hokkaido wine in the United States, if it has not been manufactured in Japan in accordance with the laws and regulations of Japan governing the manufacture of Yamagata sake, Nadagogo sake, and Hokkaido wine, and the United States shall also provide an update on the process within 120 days of the entry into force of this understanding, and upon request thereafter, until a determination has been made on each name.
3. The U.S. Department of the Treasury shall continue ongoing efforts to streamline its process at the federal level for the approval of labels for alcohol beverages.

4. The United States shall review, as appropriate in light of its domestic law, the status of the treatment of Japanese shochu in U.S. markets of interest to Japan.
5. The United States shall implement its respective commitments in paragraphs 1, 2, and 3 according to its domestic laws and regulations.
6. For greater certainty, nothing in this letter shall be construed to create or confer any right relating to a trademark or a geographical indication.
7. If a proposed regulation is published in the *Federal Register*, all written and oral communications on that matter with the Government of Japan shall be undertaken consistent with the *Administrative Procedure Act* until a final action on that regulation is taken.

I have the honor to propose that this letter, equally valid in English and Japanese, and your letter in reply, equally valid in Japanese and English, shall constitute an agreement between our two governments, which shall enter into force on the date of entry into force of the Agreement.

Sincerely,

Ambassador Robert E. Lighthizer
United States Trade Representative

October 7, 2019

His Excellency
Ambassador Robert E. Lighthizer
United States Trade Representative

Excellency,

I am pleased to acknowledge your letter of October 7, 2019, which reads as follows:

“In connection with the signing of the Trade Agreement between the United States of America and Japan (the Agreement), I have the honor to confirm the following understanding reached between representatives of the Government of the United States of America and the Government of Japan regarding alcoholic beverages:

1. The U.S. Department of the Treasury shall take final action on the rulemakings that propose to eliminate or liberalize standards of fill for wine (Docket No. TTB-2019-0004, Notice No. 182, July 1, 2019) and distilled spirits (Docket No. TTB-2019-0005, Notice No. 183, July 1, 2019). If those actions do not address standards of fill for wine in 180 milliliter, 300 milliliter, 360 milliliter, 550 milliliter, 720 milliliter, and 1.8 liter sizes and for distilled spirits in 700 milliliter, 720 milliliter, 900 milliliter, and 1.8 liter sizes, then the U.S. Department of the Treasury shall propose new rulemaking to allow standards of fill for wine in 180 milliliter, 300 milliliter, 360 milliliter, 550 milliliter, 720 milliliter, and 1.8 liter sizes and for distilled spirits in 700 milliliter, 720 milliliter, 900 milliliter, and 1.8 liter sizes, and shall take final action with respect to that proposal.
2. The United States shall, within 120 days of the entry into force of this understanding, and upon request thereafter, until a determination has been made on each name, provide an update on the process to consider, in accordance with its applicable laws and regulations, prohibiting the sale of certain products in the United States, as set out in paragraph 2 of the understanding reached on February 4, 2016, between the Government of the United States and the Government of Japan regarding product names. Pursuant to paragraph 3 of that understanding, the United States shall also initiate the process to consider, in accordance with its applicable laws and regulations, prohibiting the sale of Yamagata sake, Nadagogo sake, and Hokkaido wine in the United States, if it has not been manufactured in Japan in accordance with the laws and regulations of Japan governing the manufacture of Yamagata sake, Nadagogo sake, and Hokkaido wine, and the United States shall also provide an update on the process within 120 days of the entry into force of this understanding, and upon request thereafter, until a determination has been made on each name.
3. The U.S. Department of the Treasury shall continue ongoing efforts to streamline its process at the federal level for the approval of labels for alcohol beverages.

4. The United States shall review, as appropriate in light of its domestic law, the status of the treatment of Japanese shochu in U.S. markets of interest to Japan.
5. The United States shall implement its respective commitments in paragraphs 1, 2, and 3 according to its domestic laws and regulations.
6. For greater certainty, nothing in this letter shall be construed to create or confer any right relating to a trademark or a geographical indication.
7. If a proposed regulation is published in the *Federal Register*, all written and oral communications on that matter with the Government of Japan shall be undertaken consistent with the *Administrative Procedure Act* until a final action on that regulation is taken.

I have the honor to propose that this letter, equally valid in English and Japanese, and your letter in reply, equally valid in Japanese and English, shall constitute an agreement between our two governments, which shall enter into force on the date of entry into force of the Agreement.”

I have the further honor to confirm that my Government shares this understanding and to agree that your letter, equally valid in English and Japanese, and this letter in reply, equally valid in Japanese and English, shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Trade Agreement between Japan and the United States of America.

Sincerely,

SUGIYAMA Shinsuke
Ambassador of Japan to the United States of America