



*Ambassador of Japan
Washington, D. C.*

April 12, 2013

Dear Ambassador Marantis,

Prime Minister of Japan, Mr. Shinzo Abe, has formally announced his decision to seek participation in the TPP negotiations. The Government of Japan and the Government of the United States have been conducting bilateral consultations on Japan's interest in joining the TPP negotiations, and as a result of those consultations, I have the honor to confirm the following on behalf of the Government of Japan:

Through these consultations, our two Governments have confirmed that should Japan participate in the TPP negotiations, Japan would join others in achieving a comprehensive, high-standard agreement, as described in the Outlines of the TPP Agreement announced by TPP leaders on November 12, 2011. As two of the largest and most advanced economies in the region, Japan and the United States will work together to further enhance economic growth, expand bilateral trade and strengthen the rule of law.

To this end, the two Governments have decided to address in parallel to the TPP negotiations a number of key non-tariff measures (NTMs) in the areas of insurance, transparency/trade facilitation, investment, IPR, standards, government procurement, competition policy, express delivery and SPS¹. Negotiations on these NTMs will commence when Japan joins the TPP negotiations. The two Governments confirm that these NTMs will be addressed by the conclusion of the TPP negotiations between the two countries and that outcomes achieved on these NTMs will be tangible and meaningful, and implemented through legally binding agreements, exchange of letters, new or amended regulation or law, and/or other mutually-agreed upon means, at the time when the TPP agreement takes effect with respect to both countries.

The United States has continually expressed longstanding concerns regarding trade in the motor vehicle sector. After discussing such concerns and how they can be addressed, the two Governments have decided to conduct negotiations on motor vehicle trade in parallel to the TPP negotiations, commencing at the time when Japan joins the TPP negotiations, according to the attached Terms of Reference. Furthermore, based on the Joint Statement between Japan and the United States on February 22, 2013, in conducting the TPP market access negotiations, the two Governments confirm that U.S. tariffs on motor vehicles will be

phased out in accordance with the longest staging period in the TPP negotiations and will be backloaded to the maximum extent, and that such treatment will substantially exceed that provided in KORUS for U.S. tariffs on motor vehicles.

Japan and the United States look forward to working together closely in the TPP negotiations on rules and market access, recognizing that both countries have bilateral trade sensitivities, such as certain agricultural products for Japan and certain manufactured products for the United States.

I look forward to your letter in response confirming the successful conclusion of our bilateral TPP consultations.

Yours sincerely,

/s/

Kenichiro Sasae
Ambassador of Japan

The Honorable
Demetrios Marantis
Acting U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

ⁱ Japan and the United States will work together on the SPS issues in the parallel bilateral negotiations pursuant to the WTO SPS Agreement.

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

April 12, 2013

His Excellency Kenichiro Sasae
Ambassador
Embassy of Japan
Washington, D.C.

Dear Ambassador Sasae,

I am pleased to acknowledge the receipt of your letter of April 12, 2013, regarding our bilateral consultations on Japan's interest in joining the TPP negotiations, and I have the honor to confirm on behalf of my Government the following, as described therein:

Through these consultations, our two Governments have confirmed that should Japan participate in the TPP negotiations, Japan would join others in achieving a comprehensive, high-standard agreement, as described in the Outlines of the TPP Agreement announced by TPP leaders on November 12, 2011. As two of the largest and most advanced economies in the region, Japan and the United States will work together to further enhance economic growth, expand bilateral trade and strengthen the rule of law.

To this end, the two Governments have decided to address in parallel to the TPP negotiations a number of key non-tariff measures (NTMs) in the areas of insurance, transparency/trade facilitation, investment, IPR, standards, government procurement, competition policy, express delivery and SPSⁱ. Negotiations on these NTMs will commence when Japan joins the TPP negotiations. The two Governments confirm that these NTMs will be addressed by the conclusion of the TPP negotiations between the two countries and that outcomes achieved on these NTMs will be tangible and meaningful, and implemented through legally binding agreements, exchange of letters, new or amended regulation or law, and/or other mutually-agreed upon means, at the time when the TPP agreement takes effect with respect to both countries.

The United States has continually expressed longstanding concerns regarding trade in the motor vehicle sector. After discussing such concerns and how they can be addressed, the two Governments have decided to conduct negotiations on motor vehicle trade in parallel to the TPP negotiations, commencing at the time when Japan joins the TPP negotiations, according to the attached Terms of Reference. Furthermore, based on the Joint Statement between Japan and the United States on February 22, 2013, in conducting the TPP market access negotiations, the two Governments confirm that U.S. tariffs on motor vehicles will be phased out in accordance with the longest staging period in the TPP negotiations and

will be backloaded to the maximum extent, and that such treatment will substantially exceed that provided in KORUS for U.S. tariffs on motor vehicles.

Japan and the United States look forward to working together closely in the TPP negotiations on rules and market access, recognizing that both countries have bilateral trade sensitivities, such as certain agricultural products for Japan and certain manufactured products for the United States.

ⁱ Japan and the United States will work together on the SPS issues in the parallel bilateral negotiations pursuant to the WTO SPS Agreement.

In response to your letter, I am further pleased to confirm the successful conclusion of our bilateral consultations on Japan's interest in joining the TPP negotiations. My Government is now prepared to work with the current TPP participants to facilitate Japan's participation in the TPP negotiations as expeditiously and smoothly as possible.

Yours sincerely,

/s/

Ambassador Demetrios Marantis
Acting United States Trade Representative