

Subject to Legal Review for Accuracy, Clarity and Consistency

In connection with the signing [on this date] of the Trans-Pacific Partnership Agreement (TPP Agreement) , I have the honor to confirm the following understanding reached between representatives of the Government of Japan and the Government of the United States of America regarding the operation of the Simultaneous Buy-Sell (SBS) mechanism for Japan's country-specific tariff-rate quota under the TPP Agreement for rice from the United States (US-CSQ), which is provided for in CSQ-1 of Appendix A(Tariff-Rate Quotas) to the Schedule of Japan to Annex 2-D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement. The SBS mechanism for the US-CSQ shall be administered by the Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF) in accordance with applicable laws and regulations of Japan to the extent those laws and regulations are consistent with the international obligations that apply between the United States and Japan, including those under the TPP Agreement and this letter and your letter of confirmation in reply.

I.

1. In the absence of an exceptional circumstance, MAFF shall conduct six tenders each Japanese Fiscal Year (JFY) for importation of rice under the US-CSQ.
2. MAFF shall, by April 10 of each JFY, publish on an official government website and notify to the United States the annual schedule for SBS tenders for importation of rice under the US-CSQ.
3. In the absence of an exceptional circumstance, MAFF shall conduct the first tender of each JFY for importation of rice under the US-CSQ during the second month of the JFY, and shall conduct a subsequent tender once every two months thereafter throughout the JFY.
4. Japan shall immediately notify the United States of any exceptional circumstance that Japan believes warrants a deviation from the schedule set forth in paragraphs 1 and 3.

II.

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1. Any entity which is registered in Japan and has sufficient capacity to import rice shall be eligible to sell rice through any SBS tender.
2. Any of the following, which have sufficient capacity to handle rice, shall be eligible to purchase rice through any SBS tender:
 - (a) a rice distributor (including any wholesaler or retailer);
 - (b) a processor or manufacturer of any product containing rice; or
 - (c) a participant in the food service industry.

III. Japan shall set a maximum purchase price only for each of the following three types of rice: short-grain rice, medium-grain rice and long-grain rice.¹ Japan shall set each maximum purchase price at a level that reflects conditions in the international market for that type of rice, including the free on board (FOB) price at ports in the United States, freight costs, and exchange rates. At the time that it notifies its annual schedule of SBS tenders, MAFF shall publish on the official government website referred to in paragraph I.2 all data elements and figures it used for the assessment of the international market price.

IV. During each JFY, Japan shall not change the level of minimum mark-up in SBS tenders. In improving the SBS tender system, Japan shall give due consideration to the level of minimum mark-up in order to facilitate its smooth operation.

V. Japan shall not set the percentage of broken rice in any tender under the US-CSQ at greater than seven per cent of the total quantity of the tender.

VI. Japan shall not solicit or accept bids for the sale to MAFF of rice under the US-CSQ in quantities of less than 17 metric tons.

¹ For greater certainty, Japan shall not set a maximum purchase price for any variety or subtype of rice, except that it may set a separate maximum purchase price for the brown and milled varieties of short-grain rice, medium-grain rice and long-grain rice.

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VII. MAFF shall publish on the official government website referred to in paragraph I.2 the following information for each of two subtypes (brown and milled) of each type of rice (short-grain rice, medium-grain rice and long-grain rice) immediately after the results of each tender become final:

- (a) number of bids submitted and the total quantity represented by those bids;
- (b) number of successful bids and the total quantity represented by those bids;
- (c) weighted average purchase price paid by MAFF pursuant to bids that were successful;
- (d) highest and lowest purchase prices paid by MAFF pursuant to bids that were successful; and
- (e) weighted average purchase price paid to MAFF pursuant to bids that were successful.

VIII. If successful bids do not fill the scheduled quantity in any tender, MAFF shall conduct another round of that tender on the following day.

IX. Japan shall allow the rice sold to MAFF through the tender to:

- (a) depart from the port of exportation at any time within eleven months after the date of the tender award; and
- (b) be delivered to users at any time within twelve months after the date of the tender award.

X.

1. Japan and the United States shall discuss the operation of the US-CSQ following the first three tenders of each JFY. During any such discussion, Japan and the United States shall examine the fill rates of the Rice ¹² and Rice ²³ components of the US-CSQ and the proportion of each tender that Japan allots to each such component, and MAFF shall make adjustments, as mutually

² HS Codes: 110290.310, 110319.510, 110320.350, 110419.250, 110429.250, 190120.122, 190120.162, 190190.142, 190190.587, 190410.211, 190420.211, 190490.120 and 210690.517.

³ HS Codes: 100610.010, 100620.010, 100630.010 and 100640.010.

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agreed by Japan and the United States, to the proportion of future tenders
allotted to each such component.

2. If the average fill rate falls below 90 per cent for the first three tenders
of any JFY:

(a) MAFF shall make available all of the remaining unallocated volume of
the US-CSQ in the fourth tender and in all subsequent tenders in the JFY,
until the US-CSQ volume is fully allocated.

(b) MAFF shall undertake temporary adjustments, as agreed by Japan and
the United States, and which shall include adjustments to some or all of
the following:

(i) the number and frequency of tenders;

(ii) the ratio of broken rice to unbroken rice in the future
tenders;

(iii) maximum purchase price; and

(iv) the time period in which rice sold under tenders may
be shipped.

3. Japan and the United States shall consult on an annual basis to review
the operation of MAFF's SBS tendering process as applied to the US-CSQ.
During this consultation, if any temporary adjustment listed in paragraph X.2(b)
is in place, Japan and the United States shall consider whether to continue it into
the next JFY.

4. If the US-CSQ volume is not fully utilized in two out of any three
consecutive JFYs, MAFF shall make such modifications to the US-CSQ as are
necessary to achieve full utilization of the US-CSQ, including:

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- (a) immediate, temporary reduction, for the entirety of the following JFY, of the minimum mark-up by 15 per cent from its established base level; and

- (b) such other steps as Japan and the United States agree.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the TPP Agreement, which shall enter into force on the date of entry into force of the TPP Agreement with respect to Japan and the United States.

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In connection with the signing [on this date] of the Trans-Pacific Partnership Agreement (TPP Agreement) , I have the honor to confirm the following understanding reached between representatives of the Government of Japan and the Government of Australia regarding the operation of the Simultaneous Buy-Sell (SBS) mechanism for Japan's country-specific tariff-rate quota under the TPP Agreement for rice from Australia (AU-CSQ), which is provided for in CSQ-2 of Appendix A(Tariff-Rate Quotas) to the Schedule of Japan to Annex 2-D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement. The SBS mechanism for the AU-CSQ shall be administered by the Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF) in accordance with applicable laws and regulations of Japan to the extent those laws and regulations are consistent with the international obligations that apply between Australia and Japan, including those under the TPP Agreement and this letter and your letter of confirmation in reply.

I.

1. In the absence of an exceptional circumstance, MAFF shall conduct six tenders each Japanese Fiscal Year (JFY) for importation of rice under the AU-CSQ.
2. MAFF shall, by April 10 of each JFY, publish on an official government website and notify to Australia the annual schedule for SBS tenders for importation of rice under the AU-CSQ.
3. In the absence of an exceptional circumstance, MAFF shall conduct the first tender of each JFY for importation of rice under the AU-CSQ during the second month of the JFY, and shall conduct a subsequent tender once every two months thereafter throughout the JFY.
4. Japan shall immediately notify Australia of any exceptional circumstance that Japan believes warrants a deviation from the schedule set forth in paragraphs 1 and 3.

II.

1. Any entity which is registered in Japan and has sufficient capacity to import rice shall be eligible to sell rice through any SBS tender.

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2. Any of the following, which have sufficient capacity to handle rice, shall be eligible to purchase rice through any SBS tender:

- (a) a rice distributor (including any wholesaler or retailer);
- (b) a processor or manufacturer of any product containing rice; or
- (c) a participant in the food service industry.

III. Japan shall set a maximum purchase price only for each of the following three types of rice: short-grain rice, medium-grain rice and long-grain rice.¹ Japan shall set each maximum purchase price at a level that reflects conditions in the international market for that type of rice, including the free on board (FOB) price at ports in Australia, freight costs, and exchange rates. At the time that it notifies its annual schedule of SBS tenders, MAFF shall publish on the official government website referred to in paragraph I.2 all data elements and figures it used for the assessment of the international market price.

IV. During each JFY, Japan shall not change the level of minimum mark-up in SBS tenders. In improving the SBS tender system, Japan shall give due consideration to the level of minimum mark-up in order to facilitate its smooth operation.

V. Japan shall not set the percentage of broken rice in any tender under the AU-CSQ at greater than seven per cent of the total quantity of the tender.

VI. Japan shall not solicit or accept bids for the sale to MAFF of rice under the AU-CSQ in quantities of less than 17 metric tons.

VII. MAFF shall publish on the official government website referred to in paragraph I.2 the following information for each of two subtypes (brown and

¹ For greater certainty, Japan shall not set a maximum purchase price for any variety or subtype of rice, except that it may set a separate maximum purchase price for the brown and milled varieties of short-grain rice, medium-grain rice and long-grain rice.

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milled) of each type of rice (short-grain rice, medium-grain rice and long-grain rice) immediately after the results of each tender become final:

- (a) number of bids submitted and the total quantity represented by those bids;
- (b) number of successful bids and the total quantity represented by those bids;
- (c) weighted average purchase price paid by MAFF pursuant to bids that were successful;
- (d) highest and lowest purchase prices paid by MAFF pursuant to bids that were successful; and
- (e) weighted average purchase price paid to MAFF pursuant to bids that were successful.

VIII. If successful bids do not fill the scheduled quantity in any tender, MAFF shall conduct another round of that tender on the following day.

IX. Japan shall allow the rice sold to MAFF through the tender to:

- (a) depart from the port of exportation at any time within eleven months after the date of the tender award; and
- (b) be delivered to users at any time within twelve months after the date of the tender award.

X.

1. Japan and Australia shall discuss the operation of the AU-CSQ following the first three tenders of each JFY. During any such discussion, Japan and Australia shall examine the fill rates of the Rice 1² and Rice 2³ components of the AU-CSQ and the proportion of each tender that Japan allots to each such component, and MAFF shall make adjustments, as mutually agreed by Japan and Australia, to the proportion of future tenders allotted to each such component.

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³ HS Codes: 100610.010, 100620.010, 100630.010 and 100640.010.

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2. If the average fill rate falls below 90 per cent for the first three tenders of any JFY:

(a) MAFF shall make available all of the remaining unallocated volume of the AU-CSQ in the fourth tender and in all subsequent tenders in the JFY, until the AU-CSQ volume is fully allocated.

(b) MAFF shall undertake temporary adjustments, as agreed by Japan and Australia, and which shall include adjustments to some or all of the following:

(i) the number and frequency of tenders;

(ii) the ratio of broken rice to unbroken rice in the future tenders;

(iii) maximum purchase price; and

(iv) the time period in which rice sold under tenders may be shipped.

3. Japan and Australia shall consult on an annual basis to review the operation of MAFF's SBS tendering process as applied to the AU-CSQ. During this consultation, if any temporary adjustment listed in paragraph X.2(b) is in place, Japan and Australia shall consider whether to continue it into the next JFY.

4. If the AU-CSQ volume is not fully utilized in two out of any three consecutive JFYs, MAFF shall make such modifications to the AU-CSQ as are necessary to achieve full utilization of the AU-CSQ, including:

(a) immediate, temporary reduction, for the entirety of the following JFY, of the minimum mark-up by 15 per cent from its established base level; and

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(b) such other steps as Japan and Australia agree.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the TPP Agreement, which shall enter into force on the date of entry into force of the TPP Agreement with respect to Japan and Australia.

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In connection with the signing [on this date] of the Trans-Pacific Partnership Agreement (TPP Agreement) , I have the honor to confirm the following understanding reached between representatives of the Government of Japan and the Government of the United States of America with respect to implementation of paragraph 5(a) of Section D of Appendix B-1 (Agricultural Safeguard Measures) to the Schedule of Japan to Annex 2-D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement. Japan shall implement paragraph 5(a) in accordance with applicable laws and regulations of Japan to the extent those laws and regulations are consistent with the international obligations that apply between Japan and the United States of America, including those under the TPP Agreement and this letter and your letter of confirmation in reply.

1. Prior to imposing any agricultural safeguard measure under Section D of Appendix B-1 (Agricultural Safeguard Measures) to the Schedule of Japan to Annex 2- D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement, Japan shall undertake an assessment of whether either condition specified in paragraph 5(a) of Section D of Appendix B-1 (Agricultural Safeguard Measures) to the Schedule of Japan to Annex 2-D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement has been satisfied.

2. The importation or projected importation by any Japanese state owned enterprise of skimmed milk powder other than that under:

- (i) Japan's World Trade Organization quota for "designated dairy products for general use"; or
- (ii) a quota established under another free trade agreement to which Japan is a party

shall be deemed to demonstrate conclusively the existence of a domestic shortage of skimmed milk powder in Japan for the remainder of the Japanese fiscal year for the purposes of paragraph 5(a)(i) of Section D of Appendix B-1 (Agricultural Safeguard Measures) to the Schedule of Japan to Annex 2-D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement.

3. To ascertain whether the condition specified in paragraph 5(a)(ii) of Section D of Appendix B-1 (Agricultural Safeguard Measures) to the Schedule of Japan to Annex 2-D (Tariff Elimination Schedule) to Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement exists, Japan shall undertake a comprehensive assessment of the market in Japan for skimmed milk powder, and in so doing shall consider, among other factors:

- (a) historical records of and trends in Japanese production and stocks of skimmed milk powder;

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- (b) historical records of and trends in Japanese wholesale prices of skimmed milk powder; and
- (c) any recent natural disaster or prolonged weather anomaly producing a demonstrable effect on the Japanese market for skimmed milk powder.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the TPP Agreement, which shall enter into force on the date of entry into force of the TPP Agreement with respect to Japan and the United States of America.

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I have the honor to confirm the following understanding reached by the Governments of Japan and the United States regarding Bourbon Whiskey, Tennessee Whiskey, Yamanashi wine, Iki shochu, Kuma shochu, Satsuma shochu, Ryukyu awamori, Hakusan sake, Japanese sake, and Nihonshu sake:

1. Japan shall initiate, in accordance with its applicable laws and regulations, the process to consider prohibiting the sale of any product in Japan as Bourbon Whiskey or Tennessee Whiskey if it has not been manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of Bourbon Whiskey or Tennessee Whiskey.
2. The United States shall initiate, in accordance with its applicable laws and regulations, the process to consider prohibiting the sale of any product in the United States as Yamanashi wine, Iki shochu, Kuma shochu, Satsuma shochu, Ryukyu awamori, Hakusan sake, Japanese sake, or Nihonshu sake, if it has not been manufactured in Japan in accordance with the laws and regulations of Japan governing the manufacture of Yamanashi wine, Iki shochu, Kuma shochu, Satsuma shochu, Ryukyu awamori, Hakusan sake, Japanese sake, or Nihonshu sake.
3. Each Government shall give careful consideration to any future request of the other Government to initiate the process identified in paragraphs 1 and 2 with respect to another wine or distilled spirit.
4. Each Government shall implement its respective commitments in paragraphs 1, 2 and 3 according to its own domestic laws and regulations.
5. For greater certainty, nothing in this letter shall be construed to create or confer any right relating to a trademark or geographical indication.
6. This understanding is without prejudice to the outcome of the processes initiated by Japan and the United States.
7. Each Government shall regularly inform the other Government about the progress of the processes specified in paragraphs 1 and 2.

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding, shall constitute an agreement between our two Governments, which shall enter into force on the date of your letter in reply.

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I have the honour to confirm, on behalf of the Government of Canada, the following understanding reached between the Government of Canada and the Government of Japan:

- 1 At the time of signature of this letter, the Government of Japan recognizes that the indications listed in Part A of Annex to this letter (hereinafter referred to as “the Annex”) are protected geographical indications in Canada. Subject to the procedures provided for in the relevant laws and regulations of Japan and in accordance with its applicable laws and regulations, interested parties of Canada may seek protection for these indications as geographical indications in Japan in accordance with Articles 22 through 24 of the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as “the TRIPS Agreement”) and subject to the exceptions under Article 24 of the TRIPS Agreement.
- 2 At the time of signature of this letter, the Government of Canada recognizes that the indications, and translations thereof, listed in Part B of the Annex are protected geographical indications in Japan. Subject to the procedures provided for in the relevant laws and regulations of Canada and in accordance with its applicable laws and regulations, interested parties of Japan may seek protection for these indications as geographical indications in Canada in accordance with Articles 22 through 24 of the TRIPS Agreement and subject to the exceptions under Article 24 of the TRIPS Agreement.
- 3 Subject to the procedures provided for in the relevant laws and regulations of Canada and Japan and in accordance with their applicable laws and regulations, the Annex may serve as evidence that the indications listed therein are protected in the territory of their respective country as geographical indications, for the purposes of procedures and proceedings seeking their protection in the territory of the other country.
- 4 The two Governments may consider upon request of either Government, and determine upon mutual consent, additional geographical indications of wines and spirits that may be listed in the Annex. The two Governments may remove geographical indications listed in the Annex if those geographical indications have ceased to be protected or have fallen into disuse in their country of origin.
- 5 Either Government may request consultations with the other Government regarding the

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implementation of this understanding and any actual or proposed measure or any other matter which the former Government considers might affect its interests with respect to the protection of the indications in the territory of the other country.

- 6 Upon request pursuant to paragraph 5, the two Governments may seek to consult in order to consider ways of reaching mutually satisfactory solutions.
- 7 The two Governments confirm that nothing in this understanding affects the rights and obligations of the two Governments under Section D (Geographical Indications) of Chapter 18 (Intellectual Property) of the Trans-Pacific Partnership Agreement and under provisions relating to geographical indications of any other international agreements that both countries are parties to.

I have the further honour of proposing that this letter, equally valid in French and English, and your Excellency's letter in reply, confirming that your Government shares this understanding, will constitute an understanding between our Governments.

Annex

Part A

The following are protected geographical indications in Canada:

Spirits

Canadian Rye Whisky

Canadian Whisky

Wines

BC Gulf Islands

Beamsville Bench

British Columbia

Creek Shores

Fraser Valley

Four Mile Creek

Lake Erie North Shore

Lincoln Lakeshore

Niagara Escarpment

Niagara Lakeshore

Niagara Peninsula

Niagara River

Niagara-on-the-lake

Okanagan Valley

Ontario

Ontario Icewine

Prince Edward County

Similkameen Valley

Short Hills Bench

St. David's Bench

Twenty Mile Bench

Vancouver Island

Vinemount Ridge

Part B

The following are protected geographical indications in Japan:

Spirits

壱岐(Iki)

球磨(Kuma)

琉球(Ryukyu)

薩摩(Satsuma)

Wines

白山(Hakusan)

日本酒(Japanese sake, Nihonshu)

山梨(Yamanashi)

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In connection with the signing [on this date] of the Trans-Pacific Partnership Agreement (TPP 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:

- 1) The U.S. Department of the Treasury shall, upon receipt of a petition from the Japanese liquor industry groups requesting establishment of standards of fill for distilled spirits of 700 ml, 720 ml, 900 ml, and 1.8 liters, issue a proposal to amend regulations to further include such standards of fill. A proposed regulation shall be published in the Federal Register and shall invite public comment for 60 days. All who are interested, including the Government of Japan and Japanese entities, may submit comments during the public comment period.
- 2) Once the public comment period has closed, the U.S. Treasury shall review all public comments, and take a final action on the proposal, consistent with the Administrative Procedure Act.
- 3) Once the proposed regulation is published in the Federal Register and until a final action is taken, all written and oral communications on this matter with the Government of Japan shall be undertaken consistent with the Administrative Procedure Act.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the TPP Agreement, which shall enter into force on the date of entry into force of the TPP Agreement with respect to the United States of America and Japan.

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In connection with the signing on this date of the *Trans-Pacific Partnership Agreement* (the "Agreement"), I have the honour to confirm the following understanding reached by the Governments of Japan and Canada during the course of negotiations regarding trade in forest products.

Japan and Canada agree to the creation of, among others, a Bilateral Forestry Committee on Forest Products, which will undertake to review the necessity of safeguard mechanisms in the trade of forest products during the fifth year after the date of entry into force of the Agreement for Japan and Canada, and as a standing agenda item in each subsequent year thereafter. The Committee will also undertake to review the understandings between the Governments of Japan and Canada as described below. Either Japan or Canada may raise a matter relating to the understandings set out in this letter to the Committee, and the Committee shall seek to resolve that matter. Either Japan or Canada with whom the matter is raised shall accord sympathetic consideration to the position of the other side.

In the context of liberalized trade for forest products, upon implementation of the TPP, notwithstanding the exception for the export of logs of all species from the application of Articles 3 (National Treatment) and Article 11 (Import and Export Restrictions) in Chapter 2 (National Treatment and Market Access for Goods) of the Agreement, the Government of Canada shall issue permits upon request for the export of logs destined for Japan following the procedures set out in the *Export and Import Permits Act* and its applicable notices and regulations and provincial and territorial laws and regulations.

For greater certainty, Japan and Canada confirm that nothing in this letter shall have any other implications with respect to Canada's existing practices and procedures relating to its existing measures concerning the export of logs of all species. In respect of the export of logs, Japan and Canada maintain their rights and obligations under the WTO Agreement, and any dispute regarding a matter relating to the export of logs shall be settled under the WTO.

I have the further honour to propose that this letter, equally valid in French and English, and your letter of confirmation in reply shall constitute an understanding between our two Governments on the application between Japan and Canada of rights and obligations contained in the Agreement, which shall enter into force on the date on which the Agreement enters into force.

[Place, MM DD, 20YY]

Excellency:

In connection with the Trans-Pacific Partnership Agreement (hereinafter referred to as “the Agreement”) signed this day, I have the honour to confirm, on behalf of the Government of the Socialist Republic of Viet Nam (hereinafter referred to as “Viet Nam”), the following understanding reached between representatives of the Government of Viet Nam and the Government of Japan during the course of negotiations regarding electronic payment services.

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) of Chapter 11 (Financial Services) of the Agreement restricts the right of Viet Nam to adopt or maintain measures that condition the cross-border supply of electronic payment services into Viet Nam by a service supplier of another Party of the Agreement on a requirement that such electronic payment services are supplied through a gateway operated by a national switching facility licensed by the State Bank of Viet Nam. Any such requirement shall:

- (1) not be used as a means of avoiding Viet Nam’s obligations under Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) of Chapter 11 (Financial Services) of the Agreement;
- (2) not result in a competitive disadvantage to the service suppliers of another Party of the Agreement;
- (3) ensure the security, speed and reliability of the electronic payment services and preserve the ability of service suppliers of another Party of the Agreement to innovate, and
- (4) not impose unreasonable costs, directly or indirectly, on service suppliers of another Party of the Agreement.

If the national switching facility of Viet Nam and a supplier of another Party of the Agreement enter into an agreement or agreements for the processing of electronic payment transactions that set out standards for operation of that facility, compliance with the terms of the agreement or agreements shall be deemed to satisfy Viet Nam’s obligations under paragraphs (2), (3) and (4) with respect to that supplier.

I have further the honour to propose that this letter and your Excellency’s letter in reply confirming that your Government shares this understanding shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement with respect to Viet Nam and Japan.

[Name]

[Title] of the Socialist Republic of Viet Nam

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His Excellency

[Mr./Ms. Name]

[Title] and Plenipotentiary of Japan to
the Socialist Republic of Viet Nam

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[Place, MM DD, 20YY]

Excellency:

I have the honour to acknowledge the receipt of your Excellency's letter of [Date], which reads as follows:

[insert agreed text]

I have further the honour to confirm, on behalf of the Government of Japan, that my Government shares this understanding, and that your Excellency's letter and this letter in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Trans-Pacific Partnership Agreement (hereinafter referred to as "the Agreement"), which shall enter into force on the date of entry into force of the Agreement with respect to Japan and the Socialist Republic of Viet Nam.

[Name]

[Title] of Japan

His Excellency

[Mr./Ms.Name]

[Title]

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Dear Ambassador:

I have the honor to confirm the following understanding reached between representatives of the Government of the United States of America (hereinafter referred to as “the United States”) and the Government of Japan (hereinafter referred to as “Japan”) during the course of negotiations regarding Chapter 12 (Temporary Entry for Business Persons) of the Trans-Pacific Partnership Agreement (hereinafter referred to as “the Agreement”) signed this day:

Until such time as the United States undertakes commitments pursuant to Article 12.4 (Grant of Temporary Entry), the United States shall refrain from seeking recourse to Chapter 28 (Dispute Settlement) with respect to a refusal by Japan to grant temporary entry pursuant to Article 12.4, notwithstanding the requirements set out in Article 12.10.1 (Dispute Settlement).

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Agreement with respect to the United States and Japan.

Sincerely,

Ambassador Michael B.G. Froman

Subject to Legal Review for Accuracy, Clarity and Consistency

Dear Ambassador:

I am pleased to acknowledge your letter of this date, which reads as follows:

“I have the honor to confirm the following understanding reached between representatives of the Government of the United States of America (hereinafter referred to as “the United States”) and the Government of Japan (hereinafter referred to as “Japan”) during the course of negotiations regarding Chapter 12 (Temporary Entry for Business Persons) of the Trans-Pacific Partnership Agreement (hereinafter referred to as “the Agreement”) signed this day:

Until such time as the United States undertakes commitments pursuant to Article 12.4 (Grant of Temporary Entry), the United States shall refrain from seeking recourse to Chapter 28 (Dispute Settlement) with respect to a refusal by Japan to grant temporary entry pursuant to Article 12.4, notwithstanding the requirements set out in Article 12.10.1 (Dispute Settlement).

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Agreement with respect to the United States and Japan.”

I have the honor to confirm that my Government shares this understanding, and that your letter and this reply shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Agreement with respect to Japan and the United States.

(Signature)

Kenichiro Sasae
Ambassador Extraordinary and Plenipotentiary of Japan
to the United States of America

His Excellency
Michael B.G. Froman
United States Trade Representative

(Chile Letter)

(Signer for Japan)

Dear

I have the honor to confirm the following understanding shared by the delegations of the Republic of Chile and Japan, in the course of the negotiations of the Trans-Pacific Partnership Agreement:

The Republic of Chile and Japan reaffirm their respective rights and obligations under Article 163 (“Geographical Indications”) in Chapter 13 (“Intellectual Property”) and Annex 15 of the Agreement between the Republic of Chile and Japan for a Strategic Economic Partnership, done at Tokyo, Japan, the 27th day of March, 2007.

I have the honor to propose that this letter and your letter in reply confirm the shared understanding between the Government of the Republic of Chile and the Government of Japan.

Sincerely,

(Japan Letter in Return)

(Signer for Chile)

Dear

I have the honor to acknowledge receipt of your letter of this date, which reads as follows:

“I have the honor to confirm the following understanding shared by the delegations of the Republic of Chile and Japan, in the course of the negotiations of the Trans-Pacific Partnership Agreement:

The Republic of Chile and Japan reaffirm their respective rights and obligations under Article 163 (“Geographical Indications”) in Chapter 13 (“Intellectual Property”) and Annex 15 of the Agreement between the Republic of Chile and Japan for a Strategic Economic Partnership, done at Tokyo, Japan, the 27th day of March, 2007.

I have the honor to propose that this letter and your letter in reply confirm the shared understanding between the Government of the Republic of Chile and the Government of Japan.”

I have further the honor to confirm that my Government shares this understanding.

Sincerely,

(Peru Letter)

(Signer for Japan)

Dear

I have the honor to confirm the following understanding shared by the delegations of the Republic of Peru and Japan, in the course of the negotiations of the Trans-Pacific Partnership Agreement:

The Republic of Peru and Japan reaffirm their respective rights and obligations under Article 177 (“Geographical Indications”) in Chapter 11 (“Intellectual Property Rights”) and Annex 10 of the Agreement Between Japan and the Republic of Peru for an Economic Partnership, done at Tokyo, Japan, the 31st day of May, 2011.

I have the honor to propose that this letter and your letter in reply confirm the shared understanding between the Government of the Republic of Peru and the Government of Japan.

Sincerely,

(Japan Letter in Return)

(Signer for Peru)

Dear

I have the honor to acknowledge receipt of your letter of this date, which reads as follows:

“I have the honor to confirm the following understanding shared by the delegations of the Republic of Peru and Japan, in the course of the negotiations of the Trans-Pacific Partnership Agreement:

The Republic of Peru and Japan reaffirm their respective rights and obligations under Article 177 (“Geographical Indications”) in Chapter 11 (“Intellectual Property Rights”) and Annex 10 of the Agreement Between Japan and the Republic of Peru for an Economic Partnership, done at Tokyo, Japan, the 31st day of May, 2011.

I have the honor to propose that this letter and your letter in reply confirm the shared understanding between the Government of the Republic of Peru and the Government of Japan.”

I have further the honor to confirm that my Government shares this understanding.

Sincerely,

Subject to Legal Review for Accuracy, Clarity and Consistency

[date of signature of the TPP Agreement]

[]

Dear []:

I have the honor to acknowledge receipt of your letter of this date, which reads as follows:

I have the honor to confirm the following understanding with regard to the implementation of Article 18.63 (Term of Protection for Copyright and Related Rights) and 18.70 (Collective Management) of the Trans-Pacific Partnership Agreement (“the Agreement”) [signed on this day]:

- (i) The Government of Japan and the Government of the United States of America (“the United States”) recognize and invite attention to the fact that the term of protection for copyright and related rights to be provided in Japan, as provided for in the Agreement as of the date of the entry into force of the Agreement for the Government of Japan, will exceed the term of protection theretofore provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.
- (ii) In connection with paragraph (i), and recognizing the importance of efficient collection and distribution of royalties between Japan and the United States as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organizations, the Government of Japan and the Government of the United States encourage and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.
- (iii) The Government of Japan and the Government of the United States intend to meet, as appropriate, to review the status of the dialogue referred to in paragraph (ii) and to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honor to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of the Government of Japan and the Government of the United States under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm that this understanding is shared by your government.

Subject to Legal Review for Accuracy, Clarity and Consistency

I have the further honor to confirm that my government shares this understanding.

Sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

[date of signature of the TPP Agreement]

[]

Dear []:

I have the honor to confirm the following understanding with regard to the implementation of Article 18.63 (Term of Protection for Copyright and Related Rights) and 18.70 (Collective Management) of the Trans-Pacific Partnership Agreement (“the Agreement”) [signed on this day]:

- (i) The Government of Japan and the Government of the United States of America (“the United States”) recognize and invite attention to the fact that the term of protection for copyright and related rights to be provided in Japan, as provided for in the Agreement as of the date of the entry into force of the Agreement for the Government of Japan, will exceed the term of protection theretofore provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.
- (ii) In connection with paragraph (i), and recognizing the importance of efficient collection and distribution of royalties between Japan and the United States as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organizations, the Government of Japan and the Government of the United States encourage and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.
- (iii) The Government of Japan and the Government of the United States intend to meet, as appropriate, to review the status of the dialogue referred to in paragraph (ii) and to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honor to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of the Government of Japan and the Government of the United States under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm that this understanding is shared by your government.

Sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

(Japanese Letter)

[DATE]

[Insert addressee
Insert address]

Dear [Insert name]

I have the honor to confirm the following understanding with regard to the implementation of Article 18.63 (Term of Protection for Copyright and Related Rights) and 18.70 (Collective Management) of the Trans-Pacific Partnership Agreement (“the Agreement”) [signed on this day]:

- (i) Japan and Australia recognize and invite attention to the fact that the term of protection for copyright and related rights to be provided in Japan, as provided for in the Agreement as of the date of the entry into force of the Agreement for Japan, will exceed the term of protection theretofore provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.
- (ii) In connection with paragraph (i), and recognizing the importance of efficient collection and distribution of royalties between Japan and Australia as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organizations, Japan and Australia encourage and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.
- (iii) Japan and Australia intend to meet, as appropriate, to review the status of the dialogue referred to in paragraph (ii) and to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honor to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of Japan and Australia under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm that this understanding is shared by your government.

Sincerely,

[Insert name of sender]

Subject to Legal Review for Accuracy, Clarity and Consistency

(Australian Letter)

[DATE]

[Insert addressee
Insert address]

Dear [Insert name]

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

“I have the honor to confirm the following understanding with regard to the implementation of Article 18.63 (Term of Protection for Copyright and Related Rights) and 18.70 (Collective Management) of the Trans-Pacific Partnership Agreement (“the Agreement”) [signed on this day]:

(i) Japan and Australia recognize and invite attention to the fact that the term of protection for copyright and related rights to be provided in Japan, as provided for in the Agreement as of the date of the entry into force of the Agreement for Japan, will exceed the term of protection theretofore provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.

(ii) In connection with paragraph (i), and recognizing the importance of efficient collection and distribution of royalties between Japan and Australia as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organizations, Japan and Australia encourage and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.

(iii) Japan and Australia intend to meet, as appropriate, to review the status of the dialogue referred to in paragraph (ii) and to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honor to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of Japan and Australia under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm that this understanding is shared by your government.”

I have the further honour to confirm that my Government shares this understanding.

Sincerely,

[Insert name of sender]

*Subject to Legal Review in English and French for Accuracy, Clarity and Consistency
Subject to Authentication of English and French Versions*

Copyright

Letter from Canada to Japan

Dear:

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

“I have the honor to confirm the following understanding with regard to the implementation of Article 18.G.6 (term of protection for copyright and related rights) and 18.G.18 (collective management) of the Trans-Pacific Partnership (“the Agreement”) signed on this day:

(i) Japan and Canada recognize and invite attention to the fact that the term of protection for copyright and related rights to be provided in Japan, as provided for in the Agreement as of the date of the entry into force of the Agreement for Japan, will exceed the term of protection theretofore provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.

(ii) In connection with paragraph (i), and recognizing the importance of efficient collection and distribution of royalties between Japan and Canada as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organizations, Japan and Canada encourage and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.

(iii) Japan and Canada intend to meet, as appropriate, to review the status of the dialogue referred to in paragraph (ii) and to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honor to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of Japan and Canada under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm by reply letter, equally valid in English and French, that this understanding is shared by your government.”

I have the further honour to confirm that my Government shares this understanding, and that your letter and this letter of reply, equally valid in French and English, will constitute an understanding between our Governments.

Sincerely,

Subject to Legal Review for Accuracy, Clarity and Consistency

(Letter from Japan to New Zealand)

Dear :

I have the honour to confirm the following understanding with regard to the implementation of Article 18.63 (term of protection for copyright and related rights) and Article 18.70 (collective management) of the Trans-Pacific Partnership Agreement (“the Agreement”) signed on this day:

- (i) Japan and New Zealand recognise that, from the date of entry into force of the Agreement for Japan, the term of protection for copyright and related rights to be provided in Japan pursuant to the Agreement will exceed the term of protection currently provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.
- (ii) In connection with paragraph (i), and recognising the importance of efficient collection and distribution of royalties between Japan and New Zealand as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organisations, Japan and New Zealand invite and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.
- (iii) Japan and New Zealand may meet, as appropriate, to discuss the matters referred to in paragraph (ii) or to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honour to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of Japan and New Zealand under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm that this understanding is shared by your government.

Subject to Legal Review for Accuracy, Clarity and Consistency

(Letter from New Zealand to Japan)

Dear []:

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

I have the honour to confirm the following understanding with regard to the implementation of Article 18.63 (Term of Protection for Copyright and Related Rights) and Article 18.70 (Collective Management) of the Trans-Pacific Partnership Agreement (“the Agreement”) signed on this day:

(i) Japan and New Zealand recognise that, from the date of entry into force of the Agreement for Japan, the term of protection for copyright and related rights to be provided in Japan pursuant to the Agreement will exceed the term of protection currently provided in Japan, including any adjustment portion provided pursuant to paragraph (c) of Article 15 of the Treaty of Peace with Japan signed at San Francisco on 8 September 1951 (hereinafter referred to as “the Treaty”) with regard to the works covered by that paragraph.

(ii) In connection with paragraph (i), and recognising the importance of efficient collection and distribution of royalties between Japan and New Zealand as well as administrative burdens that may be associated with the calculation of copyright term pursuant to relevant reciprocal agreements between their counterpart collective management organisations, Japan and New Zealand invite and welcome industry-led dialogue to be held between individual collective management societies and affected rights holders with a view to addressing and resolving these matters in a manner consistent with their respective governing documents and applicable law.

(iii) Japan and New Zealand may meet, as appropriate, to discuss the matters referred to in paragraph (ii) or to discuss other appropriate steps in relation to the issues covered by this letter.

Additionally, I have the honour to confirm, on behalf of the Government of Japan, that nothing in this letter is intended to affect the rights and obligations of Japan and New Zealand under paragraph (c) of Article 15 of the Treaty.

I would be grateful if you would confirm that this understanding is shared by your government.

I have the further honour to confirm that my Government shares this understanding.

Subject to Legal Review for Accuracy, Clarity and Consistency

[date of signature of the TPP Agreement]

Dear:

I have the honor to acknowledge receipt of your letter of this date, which reads as follows:

I have the honor to confirm the following understanding with regard to the Annex on Transparency and Procedural Fairness for Pharmaceutical Products and Medical Devices of Chapter 26 (Transparency and Anticorruption) of the Trans-Pacific Partnership Agreement (“the Annex”) signed on this day:

The Government of Japan (“Japan”) and the Government of the United States of America (“the United States”) recognize the valuable contribution of the medical device industry to the health of our societies and of our economies. Access to medical devices is essential to every country’s health care system and provides benefits to patients worldwide. Both countries are among the world’s largest markets for and exporters of medical devices.

In this connection, while Japan emphasized the need to maintain its universal health care system, Japan and the United States also recognize the importance of transparency and procedural fairness in the operation of national health care programs by national health care authorities, including with respect to medical devices. Japan and the United States confirm that each government will maintain at least the current level of consistency with Paragraph X.2 of the Annex with respect to the treatment of medical devices by: (1) Central Social Insurance Medical Council, with respect to its role in making recommendations in relation to the listing or setting amount of reimbursement; and (2) the Centers for Medicare & Medicaid Services (CMS), with respect to CMS’s role in making Medicare national coverage determinations, respectively.

Furthermore, under the framework of consultation mechanism provided for in Paragraph X.4 of the Annex, Japan and the United States affirm our readiness to consult on any matter related to the Annex, including relevant future health care programs.

I would be grateful if you would confirm that this understanding is shared by your government.

I have further the honor to confirm that my Government shares this understanding.

Subject to Legal Review for Accuracy, Clarity and Consistency

[date of signature of the TPP Agreement]

Dear:

I have the honor to confirm the following understanding with regard to the Annex on Transparency and Procedural Fairness for Pharmaceutical Products and Medical Devices of Chapter 26 (Transparency and Anticorruption) of the Trans-Pacific Partnership Agreement (“the Annex”) signed on this day:

The Government of Japan (“Japan”) and the Government of the United States of America (“the United States”) recognize the valuable contribution of the medical device industry to the health of our societies and of our economies. Access to medical devices is essential to every country’s health care system and provides benefits to patients worldwide. Both countries are among the world’s largest markets for and exporters of medical devices.

In this connection, while Japan emphasized the need to maintain its universal health care system, Japan and the United States also recognize the importance of transparency and procedural fairness in the operation of national health care programs by national health care authorities, including with respect to medical devices. Japan and the United States confirm that each government will maintain at least the current level of consistency with Paragraph X.2 of the Annex with respect to the treatment of medical devices by: (1) Central Social Insurance Medical Council, with respect to its role in making recommendations in relation to the listing or setting amount of reimbursement; and (2) the Centers for Medicare & Medicaid Services (CMS), with respect to CMS’s role in making Medicare national coverage determinations, respectively.

Furthermore, under the framework of consultation mechanism provided for in Paragraph X.4 of the Annex, Japan and the United States affirm our readiness to consult on any matter related to the Annex, including relevant future health care programs.

I would be grateful if you would confirm that this understanding is shared by your government.

Subject to Legal Review for Accuracy, Clarity and Consistency

[Date]

Dear [],

I have the honor to recall the exchange of letters dated April 12, 2013, between Ambassador of Japan to the United States of America, Mr. Kenichiro Sasae and then Acting U.S. Trade Representative, Mr. Demetrios Marantis. As was stated in the exchange of letters, the United States of America had continually expressed longstanding concerns regarding trade in the motor vehicle sector. After discussing such concerns and how they could be addressed, the Government of Japan and the Government of the United States decided to conduct negotiations on motor vehicle trade in parallel to the Trans-Pacific Partnership (TPP) negotiations, according to the Terms of Reference (TOR) attached to the exchange of letters.

I am pleased to hereby confirm that the two Governments have addressed the issues in accordance with the TOR and successfully concluded the parallel negotiations. The outcome of the negotiations that provides for rights and obligations related to motor vehicle trade between the two countries is reflected in the Appendix between Japan and the United States on Motor Vehicle Trade attached to Annex 2-D of the TPP Agreement. I also have the honor to confirm, on behalf of the Government of Japan, its decision to implement the measures described in the attachment to this letter no later than the date of the entry into force of the TPP Agreement for the two countries.

I am further pleased to confirm that the two Governments affirm the importance of full implementation of the obligations of the Appendix between Japan and the United States on Motor Vehicle Trade attached to Annex 2-D of the TPP Agreement and the measures described in the attachment to this letter, and look forward to the private sectors seizing new and enhanced market access opportunities.

The Government of Japan stands ready to engage in a dialogue with the Government of the United States regarding specific issues related to motor vehicle trade which may arise in the future, in particular, in the interest of further enhancing economic growth and expanding bilateral trade and investment.

I look forward to your letter in response.

Yours sincerely,

[]

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Motor Vehicle Technical Regulations, Standards and Conformity Assessment Procedures

The Government of Japan confirms that a technical regulation described in the following paragraphs or amendment thereto will be subject to Article 3.2 of the Appendix between Japan and the United States on Motor Vehicle Trade attached to Annex 2-D of the TPP Agreement.

1. The Government of Japan will adopt UN R51 and UN R117 in its regulations for purposes of motor vehicle certification within a reasonable time after the revisions of those UN Regulations are adopted in the WP.29.
2. The Government of Japan adopted on May 30, 2014, the Global Technical Regulation applicable to the design and safety of hydrogen tanks for use in fuel cell-powered vehicles for purposes of motor vehicle importation, certification, sale and operation.
3. The Government of Japan amended the Public Notice Related to the Order for Enforcement of the High Pressure Gas Safety Act (1997 Public Notice of Ministry of International Trade and Industry No.139) to exempt eligible HFO-1234yf recovery units from the regulation of the High Pressure Gas Safety Act on July 18, 2014.
4. The Government of Japan will endeavor to provide for timely changes, provided that safety is confirmed, to law or regulation necessary for acceptance, certification, and use of safety devices installed on imported motor vehicles that incorporate a pyrotechnical device.
5. The Government of Japan will accept the Worldwide harmonized Light vehicles Test Procedure (WLTP) mode for exhaust emissions and fuel economy within a reasonable time after it is agreed and adopted in the WP.29.

Preferential Handling Procedure Certification and Requirements

1. The Government of Japan will introduce a method for permitting type designation of the exhaust emission control system and noise emission control system (hereinafter referred to as “Device Type Designation”) for motor vehicles imported under the Preferential Handling Procedure (PHP). Designation under Device Type Designation under the PHP will be evaluated only at the option of the manufacturer. For those motor vehicles that include an exhaust emission control or noise emission control system for which Device Type Designation has been granted:
 - (a) reports on sampling tests on exhaust emissions or noise emissions, as the case may be, will not be required to be submitted to the Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT); and

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- (b) the manufacturer will be permitted to conduct sampling tests on exhaust emissions and noise emissions for purposes of quality control inspections without a witness by a third party.
2. The Government of Japan will provide that the frequency of required sampling tests for compliance with exhaust emissions and noise emissions requirements be reduced for a type of motor vehicle imported under the Preferential Handling Procedure. The testing ratios for such a type of vehicle will be no more frequent than as follows:
- (a) For exhaust emissions requirements, the sampling test frequency will be reduced from the current requirement of one unit per 50 units for the first 300 units, and then one unit per 100 units thereafter, to the following:
 - (i) In cases where performance significantly exceeds the applicable requirements in each prior sampling test, one unit per 100 units for the first 1,200 units, then reduced to one unit per 200 units for the next 1,800 units, and then reduced to one unit per 300 units thereafter.
 - (ii) In all other cases, where performance meets (but does not significantly exceed) the applicable requirements in each prior sampling test, one unit per 50 units for the first 300 units, then reduced to one unit per 100 units for the next 2,700 units, and then reduced to one unit per 200 units thereafter.
 - (b) For noise emissions requirements, the sampling test frequency will be reduced from the current requirement of one unit per 300 units to the following: where performance meets the applicable requirements in each prior sampling test, one unit per 300 units for the first 1,200 units, then reduced to one unit per 600 units for the next 1,800 units, and then reduced to one unit per 900 units thereafter.
3. The Government of Japan will positively consider the feasibility of expanding the frequency of Preliminary Inspections performed on the premises of motor vehicle importers for purposes of performing such inspections for motor vehicles imported under the Preferential Handling Procedure, such that importers will less frequently be required to transport and present these vehicles at Ministry of Land, Infrastructure, Transport and Tourism facilities for initial inspection.
4. The Government of Japan will monitor the needs and interests of importers with respect to the electronic submission of documents and payments related to the inspection and ownership of motor vehicles imported under the Preferential Handling Procedure and consider providing for expanded electronic submission of such documents and payments to the extent feasible.

Distribution

1. The Government of Japan will request local and regional governments, in written procedures or in meetings attended by representatives of those governments, to accelerate the

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process for examining an application for the exemption provided in the proviso of Article 48 of the Building Standards Act. It will also conduct a survey on the time and other factors related to conducting the examination process and, upon completion of the study, pursue the establishment of a recommended standard processing period within which local and regional governments would aim to complete their examination process.

2. The Government of Japan will further request local and regional governments to consult with the Ministry of Land, Infrastructure, Transport and Tourism prior to any denial of an application for the aforementioned exemption or when they face difficulty in making a decision regarding such an application, with a view to determining their interpretation of applicable laws and regulations, as well as other relevant information, with respect to whether the applicable criteria have been satisfied.

3. The Government of Japan will inform the Japanese Automobile Manufacturers Association, the Japan Automobile Dealers Association, and their respective members of the procedure for reporting suspected violations of the Anti-monopoly Act to the Japan Fair Trade Commission (JFTC), including suspected anticompetitive business conduct that has the effect of limiting or excluding foreign motor vehicle manufacturers from the Japanese market.

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[Date]

Dear [],

I am pleased to acknowledge the receipt of your letter of {date}, in which you recalled the exchange of letters dated April 12, 2013, between Ambassador of Japan to the United States of America, Mr. Kenichiro Sasae and then Acting U.S. Trade Representative, Mr. Demetrios Marantis. As was stated in the exchange of letters, the United States of America had continually expressed longstanding concerns regarding trade in the motor vehicle sector. After discussing such concerns and how they could be addressed, the Government of Japan and the Government of the United States decided to conduct negotiations on motor vehicle trade in parallel to the Trans-Pacific Partnership (TPP) negotiations, according to the Terms of Reference (TOR) attached to the exchange of letters.

I am pleased to hereby confirm that the two Governments have addressed the issues in accordance with the TOR and successfully concluded the parallel negotiations. The outcome of the negotiations that provides for rights and obligations related to motor vehicle trade between the two countries is reflected in the Appendix between Japan and the United States on Motor Vehicle Trade attached to Annex 2-D of the TPP Agreement. I also have the honor to welcome, on behalf of the Government of the United States, the decision of the Government of Japan to implement the measures described in the attachment to this letter no later than the date of the entry into force of the TPP Agreement for the two countries.

I am further pleased to confirm that the two Governments affirm the importance of full implementation of the obligations of the Appendix between Japan and the United States on Motor Vehicle Trade attached to Annex 2-D of the TPP Agreement and the measures described in the attachment to this letter, and look forward to the private sectors seizing new and enhanced market access opportunities.

I welcome the prospect of a further dialogue regarding specific issues related to motor vehicle trade which may arise in the future, including issues related to daytime running lamps and Keyless Entry/Tire Pressure Monitoring Devices that my Government may wish to raise in such a dialogue at an appropriate time.

Sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

[Date]

Dear [],

I am pleased to inform you of the recognition of the Government of Japan with regard to Article 3 of the Appendix between Japan and the United States of America on Motor Vehicle Trade attached to Annex 2-D of the Trans-Pacific Partnership Agreement.

With respect to requirements of a safety regulation under the Road Transport Vehicle Act (Act NO. 185, 1951) of Japan that the competent authority of Japan identified, as provided in Article 3 of the Appendix as of April 1, 2015, the following are the requirements provided under the Federal Motor Vehicle Safety Standards of the United States which the competent authority of Japan, the Ministry of Land, Infrastructure and Transportation, found no less stringent than those corresponding requirements provided under the Road Transport Vehicle Act of Japan, as of April 1, 2015.

1. Full-wrap frontal collision (FMVSS 208)
2. Rear-end collision (FMVSS 301)
3. Flammability of Interior Materials (FMVSS 302)
4. Registration Plate Lamps (FMVSS 108)
5. Inside Rear-View Mirror Impact Absorption (FMVSS 111)
6. Windshield Wiping and Washing Systems for Passenger cars, etc. (FMVSS 104)
7. Windshield Defrosting and Defogging Systems (FMVSS 103)

Yours sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

[Date]

Dear [],

In relation to Article 4 of the Appendix between Japan and the United States of America on Motor Vehicle Trade attached to Annex 2-D of the Trans-Pacific Partnership Agreement, I would like to respond to your inquiries during the course of negotiations concerning the view of the Government of Japan concerning certain issues, including the future treatment of motor vehicles imported into Japan under the Preferential Handling Procedure (PHP vehicles) with respect to requirements of Japan's fuel efficiency regulation and the scope of the term "any financial incentive measures".

First, with regard to paragraph 1 of Article 4, I would like to inform you of the view of the Government of Japan regarding the treatment of PHP vehicles with respect to requirements of Japan's fuel efficiency regulation based on the Energy Conservation Act.

The purpose of the Energy Conservation Act is to take necessary measures required for the rational use of energy, in order to contribute to securing the effective utilization of fuel resources according to the economic and social circumstances concerning energy in and outside Japan.

Currently, the fuel efficiency standards and efficiency disclosure requirements under the Energy Conservation Act do not apply to PHP vehicles. With no fundamental shift in the relevant factors at this time which may result in the application of the aforementioned standards and requirements under the Act to PHP vehicles, there is no plan to change the current treatment provided to PHP vehicles under the Act and the current treatment will continue for the foreseeable future.

Second, with regard to paragraph 2 of Article 4, during the course of the negotiations, our respective delegations discussed financial incentives in accordance with the April 12, 2013, Motor Vehicle Trade Terms of Reference. The Government of Japan confirms that, for purposes of paragraph 2 of Article 4, which provides that Japan shall ensure that the Preferential Handling Procedure (PHP) and its relevant regulations shall be adopted and applied in a manner that does not preclude the eligibility of PHP vehicles for any financial incentive measures of central government bodies with respect to motor vehicles, the term "any financial incentive measures" includes, but is not limited to, tax incentive measures of central government bodies.

In addition, when implementing a financial incentive measure in accordance with Article 4, to the extent otherwise consistent with the Agreement, Japan may apply requirements for motor vehicles, including PHP vehicles, necessary to determine whether a motor vehicle satisfies the criteria of that financial incentive measure.

Lastly, with regard to the treatment of motor vehicle fuels, I would like to inform you of the view of the Government of Japan that the term "motor vehicle product" in paragraphs 3 and 4 of Article 3 does not include fuels or fuel additives.

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Yours sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

[Date]

Dear [],

Thank you for the clarification on the treatment of PHP vehicles with respect to requirements of Japan's fuel efficiency regulation based on the Energy Conservation Act. I would also like to confirm that the Government of the United States of America shares the view of the Government of Japan with respect to financial incentive measures and the treatment of motor vehicle fuels and fuel additives.

Sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

[Date]

Dear [],

The Government of Japan has notified the Government of the United States of America of the decision of the Japan Fair Trade Commission (JFTC) to conduct a survey with respect to possible anticompetitive conduct in the motor vehicle dealership and distribution system in Japan. In addition to other sources, the survey will include information gathered through interviews with U.S. and other foreign manufacturers and the Japan Automobile Importers Association, and be completed no later than two years after the entry into force of the Trans-Pacific Partnership Agreement with respect to Japan and the United States. The results of the survey will be made available to the public.

Yours sincerely,

[]

Subject to Legal Review for Accuracy, Clarity and Consistency

[Date]

Dear [],

The Government of Japan and the Government of the United States of America decided on April 12, 2013 to address in parallel to the Trans-Pacific Partnership (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 SPS, when both Governments confirmed the successful conclusion of our bilateral consultations prior to Japan's joining the TPP negotiations.

The two Governments have conducted parallel negotiations on these NTMs since August 2013. I am pleased to hereby confirm that the two Governments have addressed the issues related to the abovementioned NTMs and successfully concluded the parallel negotiations. I also have the honor to confirm, on behalf of the Government of Japan, the outcomes achieved on these NTMs, as reflected in the attachment to this letter. The two Governments expect that these outcomes will be implemented no later than the date of entry into force of the TPP Agreement for the two countries, unless otherwise stated. I am confident that these outcomes will serve as a basis for further enhancing economic growth and expanding bilateral trade and investment.

The Government of Japan stands ready to engage in a dialogue with the Government of the United States, by continuing to work through existing frameworks for bilateral dialogue or other appropriate means, in the interest of further enhancing economic growth and expanding bilateral trade and investment.

I look forward to your letter in response confirming these outcomes on behalf of the Government of the United States.

Yours sincerely,

[]

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[Date]

Dear [],

On April 12, 2013, the Government of Japan and the Government of the United States of America confirmed the successful conclusion of our bilateral consultations on Japan's joining the Trans-Pacific Partnership (TPP) negotiations. As reflected in my predecessor's letter exchange with Ambassador Kenichiro Sasae, the Government of Japan and the Government of the United States 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 SPS.

The two Governments have conducted parallel negotiations on these NTMs since August 2013. I am pleased to hereby confirm that the two Governments have addressed the issues related to the abovementioned NTMs and successfully concluded the parallel negotiations. I also have the honor to confirm, on behalf of the Government of the United States, the outcomes achieved on these NTMs, as reflected in the attachment to this letter. The two Governments expect that these outcomes will be implemented no later than the date of entry into force of the TPP Agreement for the two countries, unless otherwise stated. I am confident that these outcomes will serve as a basis for further enhancing economic growth and expanding bilateral trade and investment.

I welcome the prospect of a further dialogue with the Government of Japan, by continuing to work through existing frameworks for bilateral dialogue or other appropriate means, in the interest of further enhancing economic growth and expanding bilateral trade and investment regarding specific issues related to NTMs which may arise in the future.

Sincerely,

[]

INSURANCE

The Government of Japan and the Government of the United States have confirmed the following commitments and practices regarding the sale of insurance in Japan by Japan Post Insurance (JPI).

1. Definition

For purpose of this section,

Japan Post means Japan Post Holdings (JPH), Japan Post Company (JPC), and any successor entities.

2. Access to the Japan Post network

- (a) The Government of Japan confirms the importance of affording private suppliers of insurance access to the Japan Post network in a manner that is transparent and competitive by affirming that:
 - (i) no provisions in the Postal Service Privatization Act (Act No.97 of 2005, as amended) require JPC to maintain a contract with JPI to distribute JPI's life insurance products or, in a way that would negatively affect conditions of competition, restrict Japan Post's ability to distribute other suppliers' insurance products; and
 - (ii) Japan Post's universal service obligation with regard to insurance products under the Postal Service Privatization Act, the Japan Post Holdings Act (Act No.98 of 2005, as amended), and the Japan Post Company Act (Act No.100 of 2005, as amended) does not prevent Japan Post from distributing the insurance products of suppliers other than JPI, even where such products are in competition with JPI's products.

- (b) The Government of Japan recognizes the benefits of Japan Post improving its services, including distribution of private sector suppliers' products, including those that compete with JPI products, throughout its network. The Government of Japan will ensure that Japan Post is not discouraged from distributing private insurance suppliers' products, including those that compete with JPI products, throughout its network. The Government of Japan will not prevent JPC from making its network available for distribution of products of private insurance suppliers, with the actual number and location of distribution outlets determined through discussions between JPC and private insurance suppliers. The Government of Japan will ensure that distribution of insurance products by Japan Post is conditioned on Japan Post and private insurance suppliers maintaining appropriate management systems for the solicitation and supply of

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insurance from the viewpoint of customer protection.

- (c) The Government of Japan confirms that when Japan Post selects insurance products to sell through its network, Japan Post makes its selection on a commercial basis and independent of Japan Post's relationship with any prospective supplier.
- (d) The Government of Japan recognizes that the application of principles of non-discrimination and openness to any insurance suppliers in the process for providing access to Japan Post network is an important part of providing equivalent conditions of competition between JPI and other insurance suppliers. The Government of Japan will make available to the Government of the United States a point of contact upon its request to provide information regarding the processes and principles by which Japan Post provides access to its network.

3. Regulatory oversight and treatment

- (a) In accordance with paragraph 2 of Section C of Annex 11-B to Chapter 11 of the Trans-Pacific Partnership Agreement, the Government of Japan will not adopt or maintain any measure that creates conditions of competition that are more favorable with respect to the supply of insurance services by JPI as compared to any private suppliers of like insurance services, including with regard to enforcement of the Insurance Business Act (Act No.105 of 1995, as amended).
- (b) The Financial Services Agency of Japan (FSA) will undertake a review of JPI's business operations upon the filing of an application for new insurance products, based on the Insurance Business Act, to evaluate whether JPI has the capacity to administer new products soundly and has established other internal controls and systems called for under the Act and related regulations, including those pertaining to claims payments and customer protection. In reviewing JPI's business operations, FSA will apply the same standards as applied to other suppliers of insurance, in order to provide equivalent conditions of competition between JPI and other insurance suppliers.
- (c) The Government of Japan confirms, considering JPI is in the course of privatization, that the Office for Postal Savings and Insurance Supervision of FSA has responsibilities to ensure proper and consistent supervision of JPI under both the Insurance Business Act and the Postal Service Privatization Act, that both the Office for Postal Savings and Insurance Supervision and the Insurance Business Division are subject to supervision by the Director General of the Supervisory Bureau of FSA, and that the existence of the Office and the Division will never harm fairness of supervision on JPI.

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- (d) The Government of Japan will ensure that the supervisory responsibilities of the Ministry of Internal Affairs and Communications (MIC) do not impede FSA's ability to independently regulate JPI. The Government of Japan will also confirm that any FSA official transferred or detailed from MIC, with oversight responsibilities over JPI, reports exclusively to the director of the relevant FSA office.
- (e) If fifty percent or more of shares of JPI have been sold and a notification system for JPI's new products commences under the Postal Service Privatization Act, FSA and MIC will evaluate, upon JPI's submission of a notification of its new product, whether equivalent conditions of competition with other suppliers of insurance are hampered and, where necessary, take appropriate action based on the results of that evaluation.

4. Licensing procedures

- (a) The Government of Japan confirms that:
 - (i) the business plan submitted by JPH on April 27, 2007, included all of the documentation that FSA would require a private supplier of like insurance products to submit in order to obtain a license to supply insurance;
 - (ii) the procedure for review of such documents was not more favorable to JPI than the procedures for review of comparable documents submitted by private suppliers of like insurance products; and
 - (iii) FSA has the authority to revoke JPI's license to supply insurance if JPI commits offenses that would justify the revocation of a private company's business license.
- (b) The Government of Japan certifies that JPI has satisfied all requirements under the Insurance Business Act for receipt of a license to supply insurance.

5. Transparency

- (a) Recognizing the importance of providing interested persons, including foreign suppliers of insurance, with a full opportunity to understand legal, regulatory, policy, or other matters related to the Japan Post Group, the Government of Japan:
 - (i) on October 22, 2013, provided the Government of the United States with the copy of the contractual agreement on reinsurance between JPI and the Management Organization for Postal Savings and Postal Life Insurance, which the Government of

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Japan received from that Organization;

- (ii) will ensure that JPH publishes consolidated earnings statements once a year, and recognizes that such a statement is currently published on a quarterly basis; and
 - (iii) will ensure that JPI publishes its balance sheet, profit and loss statement, and other financial statements once a year, with a level of transparency equivalent to comparable documents issued by other private suppliers of like insurance products, and recognizes that such documents are currently published on a quarterly basis.
- (b) The Government of Japan reaffirms its commitment to the transparency principles related to JPI outlined in the 2009 Regulatory Reform and Competition Policy Initiative Report to Leaders.

6. Review Process

Both Governments will meet, upon request by either side, to review implementation of the actions described in the above commitments and practices.

TRANSPARENCY

1. Advisory Councils / Committees

The Government of Japan affirms the importance of transparency with respect to the formation and operation of advisory councils and similar groups (“advisory councils”) that are established by the Government of Japan to advise or provide recommendations to the Government on the development of regulations and other measures which have an impact on trade and investment between Japan and the United States.

Accordingly, the Government of Japan will ensure that the relevant authorities:

- (a) permit interested persons to attend, appear before, or file statements with advisory councils, subject to reasonable rules or regulations, including by providing meaningful opportunities for all interested parties, including foreign parties, to file statements on terms no less favorable than those accorded to its own parties in like circumstances;
- (b) provide timely public notice of the formation of advisory councils;
- (c) open meetings of advisory councils to the public;
- (d) provide timely public notice of each advisory council meeting, such as by posting notifications of meetings on the website of the responsible ministry or agency, so as to ensure that interested persons are notified prior to the meeting date;
- (e) make available for public inspection and copying, such as by posting on the website of the responsible ministry or agency, the minutes and other documents made available to the advisory councils;
- (f) require detailed minutes of each meeting of the advisory councils to be kept, including a record of the persons present, a complete and accurate description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the advisory councils; and
- (g) provide interested persons with the opportunity to seek redress in the event of a failure of any of the above mentioned requirements through complaints filed with the secretariats of the advisory councils, which will report to the advisory councils a summary of any comments or complaints received;

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with exceptions to these requirements only in the event the relevant authorities determine that a meeting or portion of a meeting needs to be closed to the public for national security or other reasonable grounds (such as protection of information that would otherwise be exempted from disclosure under relevant laws and regulations). In that event, the relevant authorities will be required to make public the reasons for this determination.

Further, the Government of Japan will ensure that any rules enacted for the formation and operation of the advisory councils are made publicly available and are consistent with all general transparency requirements for advisory councils.

The Government of the United States ensures the transparency of Federal advisory committees that provide advice to the executive branch of government, through the Federal Advisory Committee Act (FACA)¹, as amended, and implementing regulations.

The FACA and its regulations impose robust requirements for transparency in the establishment, operation, and termination of Federal advisory committees by requiring departments and agencies to provide to the public:

- advance notice of committee formation²;
- advance notice of scheduled meetings³;
- contemporaneous access to advisory committee records⁴;
- opportunities to provide information to committees⁵; and
- access to information on Federal advisory committees and their activities on the Internet at <http://www.facadatabase.gov>.

Committee meetings are also required to be open to the public except under specific circumstances when meetings can be legally closed, such as when the committee's work involves classified material, proprietary business information, or personal information.

Details of the transparency requirements under U.S. law and regulations may be found at <http://www.gsa.gov/portal/category/21244>.

2. Public Comment Procedure

Both Governments will take necessary measures for the smooth and effective implementation of the relevant provisions in Article 26.2.4 of the TPP Agreement.

¹ P.L. 92-463, codified at 5 U.S.C. App.

² 5 U.S.C. App., §9(a)(2).

³ 5 U.S.C. App., §10(a)(2).

⁴ 5 U.S.C. App., §10(b).

⁵ 5 U.S.C. App., §10(a)(3).

INVESTMENT/M&A

1. Corporate Governance – Independent Directors

The Companies Act (Act No. 86 of 2005), as amended in June 2014, and its relevant ordinances:

- (a) strengthen qualification requirements for outside directors, by excluding individuals such as parent company directors and employees;
- (b) require any listed company not having at least one outside director to disclose in its business report and explain at its annual meeting of shareholders “reasons why appointing an outside director would be inappropriate”; and
- (c) introduce the audit and supervisory committee form of corporate governance as a means of facilitating the use of outside directors.

The amended Act took effect on May 1, 2015. Two years after the amendment took effect, the Government of Japan will reconsider its rules on corporate governance in order to determine whether additional steps, including a mandatory requirement for listed companies to include at least one outside director, are necessary. Further, in line with the amended Companies Act, the amendment to the Tokyo Stock Exchange (TSE) listing requirements, which requires TSE-listed companies to aim to ensure the presence of at least one independent director who is an outside director, was implemented in February 2014. In addition, on June 1, 2015, the TSE established Japan’s Corporate Governance Code. The Code adopts a “comply or explain” approach for implementation, and indicates that listed companies should appoint at least two independent directors.

2. Anti-takeover Defenses

The Government of Japan recognizes that it is improper for directors to use takeover defense measures to prevent an acquisition that would enhance corporate value and shareholders’ common interests. In this connection, the measures described in the section above concerning independent directors could help to prevent such outcomes. The Government of Japan will receive comments and recommendations on takeover defense measures for consideration and possible action.

3. Regulatory Reform

In keeping with the Growth Strategy of the Government of Japan aiming for at least the doubling of inward foreign direct investment stocks by 2020, the Government of Japan will

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seek comments and recommendations from foreign investors and other stakeholders for the purpose of promoting foreign direct investment and enhancing the effectiveness and transparency of Japan's regulatory framework. Comments and recommendations will be referred to the Council on Regulatory Reform on a regular basis, along with responses from relevant ministries and agencies with respect to the feasibility of such comments and recommendations, for consideration and possible action. The Government of Japan will take necessary measures in compliance with the Council's recommendations.

INTELLECTUAL PROPERTY RIGHTS

Both Governments will take necessary measures for the smooth and effective implementation of the relevant provisions in Chapter 18 (Intellectual Property) of the TPP Agreement.

Private Copying Exception

On the scope of copyright protection, the Copyright Working Group under the Council for Cultural Affairs of Japan studied the scope of the private use exception and concluded in 2009 that it is appropriate that the private use exception should not be applied for downloading of sound recordings and motion pictures from illegal sources.

The Government of Japan will resume its consultation with the Copyright Working Group with respect to whether the private use exception should not be applied for downloading of other works from any illegal sources as soon as possible and no later than the time when the TPP Agreement takes effect with respect to both countries. In order to facilitate this process, the Government of the United States and the Government of Japan will exchange relevant information in this respect.

Both Governments also recognize that it is important for both countries to continue to work toward enhancing the protection of intellectual property rights in the Asia-Pacific region, including with respect to copyrighted works such as manga, animation, software and books.

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STANDARDS

1. With a view to facilitating trade in goods between the United States and Japan, including by eliminating unnecessary technical barriers to trade, enhancing transparency, and promoting greater regulatory cooperation and good regulatory practice, the Governments of the United States and Japan establish a working group on technical regulations, standards and conformity assessment procedures (“the Working Group”).
2. The mandate of the Working Group is to:
 - (a) address specific trade concerns raised by either Government related to technical regulations, standards and conformity assessment procedures prepared, adopted or applied by either Government;
 - (b) enhance joint cooperation with respect to technical regulations, standards and conformity assessment procedures;
 - (c) promote greater use of relevant international standards, guides and recommendations as the basis for technical regulations and conformity assessment procedures, consistent with obligations under the WTO Agreement on Technical Barriers to Trade;
 - (d) exchange timely information on technical regulations, standards and conformity assessment procedures prepared, adopted or applied by either Government; and
 - (e) identify, as appropriate, ways to improve processes or procedures used by each Government to prepare, adopt or apply technical regulations, standards and conformity assessment procedures including ways to provide interested persons a reasonable opportunity to provide input, and to take such input into account in the development of the measure.
3. The Working Group, comprised of officials of each Government, will hold meetings at such times and venues and through such means as may be decided by both Governments.

GOVERNMENT PROCUREMENT

1. Bid-Rigging

In addition to imposing strict sanctions and penalties to combat bid-rigging and related anti-competitive practices, the Government of Japan will implement preventive measures, including by:

- (a) conducting on a regular basis anti-cartel, bid-rigging, and collusion training programs by central government procuring entities and supporting implementation of such programs by local government entities and special corporations and incorporated administrative agencies¹;
- (b) enforcing the National Public Service Act which requires the elimination of conflicts of interest by prohibiting officials from seeking employment at companies which they oversee or regulate,² outplacement of officials and retired officials by the government, and requests of favors by retired officials to their previous government workplaces; and
- (c) providing guidelines for and promoting the establishment in central government entities, local government entities, and special corporations and incorporated administrative agencies³ of third-party auditing organizations, which conduct thorough inspections of procurement processes to enhance transparent and competitive opportunities for procurements.

The Government of Japan affirms its commitment to take all possible measures, including through stringent enforcement of domestic laws, to eradicate bid-rigging and related anti-competitive practices.

2. Improving the Bidding Process

The Government of Japan will increase transparency in tendering decisions and allow for greater participation by qualified bidders through implementing the following measures:

¹ Includes entities detailed in Article 2 (2) of the Kansei Dango Prevention Act, and listed at http://www.jftc.go.jp/en/legislation_gls/List_of_entities.files/List_of_entities.pdf.

² Categories of those companies are specified by Cabinet Order No. 389 of December 25, 2008 regarding the retirement management of officials.

³ Includes entities detailed in Article 1 of the Order for Enforcement of the Act for Promoting Proper Tendering and Contracting for Public Works and the Cabinet Decision concerning Check and Review of Procurement Contracts by Incorporated Administrative Agencies, and listed at http://www.mlit.go.jp/totikensangyo/const/totikensangyo_const_fr1_000038.html and http://www.cas.go.jp/jp/gaiyou/jimu/jinjikyoku/files/18_iaa.pdf.

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- (a) increase the use of electronic bidding systems by central government entities and local government entities, thereby expanding opportunities for participation and ensuring greater transparency for all parties;
- (b) increase the utility of the online location⁴ containing, in a searchable format, direct access in both Japanese and English to procurement notices and invitations covering central government entities, special corporations and incorporated administrative agencies⁵, as well as prefectural and major municipal governments;
- (c) maintain the national open data portal website,⁶ which the Government of Japan established in 2014, in order to make information and data on prior government procurements (e.g. estimated and final bid prices, bid winners, dates of bids, and procuring entities) publicly available and searchable by the public;
- (d) ensure the effective and non-discriminatory operation of the Government Procurement Review Board, which receives and reviews complaints concerning government procurement of goods and services, in order to secure enforcement of open and transparent bidding processes;
- (e) ensure that participation of foreign suppliers is not precluded, by prohibiting practices that would unduly limit competition, including consolidation of procurements of goods and/or services into a single procurement, where such consolidation would unduly limit competition;
- (f) enforce the prohibition on procuring entities from conducting any acts that favor one supplier over another and harm the fairness of bidding, including acts such as informing a particular supplier prior to the publication of a notice of intended procurement of the target price or any other information not available to other suppliers concerning the procurement; and
- (g) fulfill the obligations arising under the WTO Agreement on Government Procurement (GPA) and further take voluntary measures at the GPA-plus level in accordance with the Operational Guideline on Procedures for Government Procurement etc.

⁴ The Government of Japan recognizes that the following online database of Japanese government procurement is available as of [date]: <https://www.jetro.go.jp/en/database/procurement/>.

⁵ Includes entities detailed in Japan's Annex 3 of the WTO Agreement on Government Procurement and Japan's Voluntary Measures on Government Procurement, and listed at <http://japan.kantei.go.jp/procurement/2014/ch/1-5FY2013ch1-5.pdf>.

⁶ Open data catalogue information portal site, <http://www.data.go.jp/?lang=english>.

COMPETITION POLICY/PROCEDURAL FAIRNESS

1. The Antimonopoly Act of Japan (AMA, Act No.54 of 1947), which was amended in December 2013 and took effect on April 2015, contributes to further enhancing procedural fairness and transparency in the enforcement of the AMA by Japan Fair Trade Commission (JFTC) in the following ways.
 - (a) **Independent review of violation orders:** Under the amended AMA, the JFTC's administrative review of its orders has been abolished and jurisdiction for appeals in the first instance of JFTC orders, including cease and desist and surcharge payment orders, has been transferred to the Tokyo District Court.
 - (b) **Access to evidence:** Under the amended AMA, access by defendants to evidence used by the JFTC for fact-finding has been enhanced, including by allowing each company concerned to photocopy records of statements by its employees, from the time the company received the notice of the hearing until the end of the hearing.
 - (c) **Pre-order procedures:** With respect to pre-order procedures, the amended AMA provides that JFTC officers who have not been involved in the investigation of the case be designated to preside over a procedure for hearing opinions from to-be recipients, and that they may ask questions to investigators during the pre-order procedures.
2. In recognition of other issues not addressed by the amendment regarding JFTC investigation procedures, the Government of Japan formed the Advisory Panel on Administrative Investigation Procedures under the AMA to consider JFTC investigation procedures consistent with Article 16 of the supplementary provisions of the amended AMA. As a result of discussion, the Advisory Panel issued a report in December 2014. The report examined JFTC investigation procedures regarding on-the-spot inspections, attorney-client privilege and depositions¹, and it proposed in certain instances that the JFTC clarify its procedures on issues related to on-the-spot inspections and depositions in manuals or guidelines. Taking into account the Advisory Panel's report, the JFTC is in the final stage of drawing up guidelines.

The Government of Japan will exert its utmost effort for the enforcement of the AMA.

¹ See Report Issued by the Advisory Panel on Administrative Investigation Procedures under the Anti-Monopoly Act (December 24, 2014) from the website of the Cabinet Office, Government of Japan:
<http://www8.cao.go.jp/chosei/dokkin/finalreport/body-english.pdf>.

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With respect to confidentiality, pursuant to Article 39 of the AMA and under Article 100 of the National Public Service Act (Act No.120 of 1947), the JFTC will ensure its employees will continue to comply with confidentiality obligations.

EXPRESS DELIVERY

1. Cross-Subsidization

To provide for greater transparency, the Government of Japan will ensure that Japan Post Company (JPC) will annually disclose the revenue and expense statement of its Express Mail Service (EMS) consistent with standard accounting principles in accordance with the laws and regulations of Japan. The Ministry of Internal Affairs and Communications has started considering necessary measures and intends to complete taking the necessary measures at the earliest possible timing.

2. Customs Treatment

Both Governments will proactively contribute to operational developments in support of providing electronic advance data on international postal items to enhance the security of international postal supply chain, meet electronic submission requirements to be adopted by the governments of the member countries of the Universal Postal Union, and to be implemented by their postal operators, and contribute to the efficiency of customs procedures applied to postal items, based on Article 9 of the Universal Postal Convention. In parallel with these efforts, both Governments strongly expect that JPC and United States Postal Service will intensify participation in pilot programs in multilateral fora for providing such electronic advance data on international postal items, including EMS items for outbound shipments. This will be accomplished, for example, through the advance electronic data efforts being undertaken at the Universal Postal Union or at the Kahala Posts Group.

SPS

1. Post-Harvest Fungicide

The Ministry of Health, Labour and Welfare (MHLW) will implement a streamlined approval process for fungicides that may be applied both pre-harvest and post-harvest by utilizing a unified application and deliberation process for approval of pesticides and food additives.

In the application process, one set of documents will be required in order to obtain approval for pre-harvest and post-harvest use of a fungicide.

In the deliberation process of the Pharmaceutical Affairs and Food Sanitation Council, the Committee on Pesticides and Veterinary Drugs and the Committee on Food Additives will jointly deliberate.

2. Food Additives

The Government of Japan confirms that it will faithfully implement the Cabinet Decision dated July 10, 2012, which determined that the Government of Japan would, within approximately one year, in principle, excluding the period of time necessary for gathering additional documents, complete approval of all four not-yet-designated food additives from the 2002 list of 46 internationally commonly-used food additives.

3. Gelatin / Collagen

The MHLW requested the Food Safety Commission of Japan (FSC) to conduct a risk assessment on the use for human consumption of gelatin and collagen derived from cattle, including U.S. cattle, and received a risk assessment report from the FSC in October 2014. The report concluded that, on condition that the control measures suggested by the MHLW are taken, the risk to human health by the revision of restrictions on imports of gelatin and collagen is negligible. The MHLW has eased restrictions on imports of gelatin and collagen based on the report.