

January 13, 2012

The Honorable Douglas Bell
Chair, Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508
USA

Re: Japan's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations

The Japan Machinery Center for Trade and Investment (JMC) and the Japan Electronics and Information Technology Industries Association (JEITA) appreciate this opportunity to submit our opinion in response to the invitation for public comment from the USTR on Japan's expression of interest in participating in the Trans-Pacific Partnership Trade Negotiations (TPP).

JMC is a non-profit organization comprised of 258 leading large and medium-sized enterprises engaged in the export and investment of a wide range of machinery products. Our membership includes manufacturing companies for consumer electronics, office machinery, industrial machinery, etc., trading companies, engineering companies, among others. JMC is involved in activities with the objective of promoting the sound development of trade and investment in the machinery industry.

JEITA is an industry association comprised of 421 large and medium-sized enterprises with global operations in the IT electronics sector including consumer electronics, industrial electronics, semiconductors, electronic components, and software, etc., among others. JEITA is implementing activities for enhancing the sound production, international trade and consumption of IT electronics products.

Most of the members of JMC and JEITA have established affiliated companies in the U.S., and are contributing to job creation in the U.S.

We are in strong support of the APEC JAPAN 2010 Leaders' Declaration stating that "We will take concrete steps towards realization of a Free Trade Area of the Asia-Pacific (FTAAP), which is a major instrument to further APEC's regional economic agenda. An FTAAP should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership, among others."

The vision and outcome we hope to see from the TPP include not only improvement of market access in a wide range of areas in the Asia Pacific, but also enhancement of the global business environment with a high level of liberalization, facilitation, and transparency for companies, by developing rules and legal infrastructure for cross-border trade, investment, services, and others. We are confident that the U.S. and Japanese industries, which are involved in global businesses with closely linked supply chains and global production/distribution networks, share a common interest in this regard.

The following four points describe how Japan's early participation in the TPP negotiations would be to the benefit of the U.S. and the TPP.

Firstly, Japan's participation in the TPP will add to the TPP a country with a level of production, consumption and trade second to the U.S. It will provide a wider network for greater economic development in the Asia Pacific, a center of global production and consumption, and will dramatically increase the strategic importance of concluding the TPP. This will result in an even greater contribution to economic growth, export expansion, and greater job creation in the U.S. and TPP member countries.

Secondly, early participation of Japan in the TPP negotiations would enable the U.S. and Japan to become strong partners in the TPP negotiations, with the benefit of greater development and reinforcement of the U.S.-Japan global relations. It would be extremely beneficial for the U.S. to have our two countries cooperate together in addressing the global challenges that we face, with the objective of global economic and social stability and sustainable development.

Thirdly, Japan's early participation in the TPP negotiations can lead to the further increase of countries participating in the TPP negotiations and accelerate the creation of effective global trading rules, in the context of an impasse in the WTO Doha Round negotiations. This is already seen in media reports regarding Canada and Mexico expressing their intention to join the negotiations, as well as Taiwan and the Philippines indicating their interest to join the negotiations, in response to an expression of interest by Japan to participate in the TPP negotiations.

And lastly, Japan's participation in the TPP will enable Japan and the U.S. to cooperate and play a leadership role in the negotiations under the TPP for developing high level rules. There are priority issues that we face, including, in particular, ensuring liberalization/facilitation/transparency in the global movement of goods, services, capital, and business persons, strengthening protection of IPR and investors/invested assets, development of WTO-consistent, highly transparent,

competition-neutral rules, introduction of user-friendly institutions and procedures for enterprises, development of rules that will encourage new business models associated with digitalization, spread of the internet, innovation and advances in technology. The U.S. and Japan can be expected to cooperate together to create a business environment favorable to the promotion of global production/trade/investment and innovation through pursuing policy coordination and industrial cooperation among TPP member countries. Moreover, it is expected that the TPP rules will elevate the level of discipline of competing FTAs in the Asia Pacific region, promote competition, and increase the level of rules in other FTAs.

In addition to the benefits described above, we would also add that Japan has already negotiated and concluded FTAs, a track record that we bring to our participation to the wide-ranging and high level TPP negotiations. Japan has already concluded FTAs covering a wide-range of areas in the form of an Economic Partnership Agreement (EPA) with ASEAN and ASEAN member states, and India in the Asian region, as well as with Mexico, Chile, Peru in Central and South America, and with Switzerland in Europe. Currently, we are in the process of preliminary consultations with the EU for the negotiation of a comprehensive and high level FTA.

Taking into consideration the above, we kindly request the U.S. government to officially express their welcome to Japan's participation in the TPP negotiations.

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