Congress of the United States Washington, DC 20515

November 8, 2011

The Honorable Ron Kirk United States Trade Representative 600 17th St. NW Washington, DC 20508

Dear Ambassador Kirk:

We understand that Japan may announce its decision on whether to seek to participate in the Trans-Pacific Partnership (TPP) at this month's Asia Pacific Economic Cooperation (APEC) Summit in Honolulu. If Japan were to express interest in joining the TPP, it could represent an opportunity for much needed change in Japan's approach to international trade.

Despite being the world's third-largest economy, Japan has long sheltered its domestic market from meaningful competition. As the 2011 National Trade Estimate Report on Foreign Trade Barriers makes abundantly clear, autos, various agriculture products including beef, insurance, drugs and medical devices as well as a large number of other U.S. goods and services face serious market access barriers in Japan. Many of these barriers are deeply embedded in Japan's economy, and to date, have persisted notwithstanding existing trade rules and years of bilateral engagement. This raises concerns as to whether traditional disciplines contained in past free trade agreements can alone be effective in opening a market such as Japan's.

New disciplines on non-tariff barriers, as well as other rules, such as restrictions on the operation of state owned enterprises, being proposed for TPP, could, if sufficiently robust, be applied to address at least some of these concerns. At the same time, Japan's inclusion would add dramatically new dimensions and complexities to the TPP negotiations. For that reason, we urge you to closely consult with Congress and stakeholders well in advance of any decisions.

Japan is a long-time U.S. ally and friend in Asia. However, paramount considerations in evaluating a request relating to a trade agreement must be whether Japan is willing and able to meet the high standard commitments inherent in U.S. free trade agreements and whether inclusion would truly open this historically-closed market to the benefit of our companies, workers, and farmers. We look forward to close consultations as this issue develops.

Sincerely,

DAVE CAMP

Chairman

House Committee on Ways and Means

SANDER LEVIN Ranking Member

House Committee on Ways and Means

MAX BAUCUS

Chairman

Senate Committee on Finance

ORRIN HATCH Ranking Member

Senate Committee on Finance