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Lawmakers urge caution on trade talks with Japan



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By Doug Palmer

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(Reuters) - Four senior U.S. lawmakers on Tuesday urged President Barack Obama's administration not to make a hasty decision to begin free trade talks with [Japan](#) if that country should request this week to join negotiations on a Transpacific free trade pact.

"Japan's inclusion would add dramatically new dimensions and complexities to the TPP (Transpacific Partnership) negotiations. For that reason, we urge you to closely consult with Congress and stakeholders well in advance of any decisions," the group said in a letter to U.S. Trade Representative Ron Kirk.

The letter came as government officials from around the region were gathering in Honolulu for the annual leaders meeting this weekend of the 21 member countries of the Asia-Pacific Economic Cooperation (APEC) forum.

Expectations are high that Japan could formally request at the meeting to join negotiations on the Transpacific Partnership (TPP) pact, a proposed regional free trade agreement that would include the United States, [Australia](#), New Zealand, Chile, Peru, Singapore, Malaysia, Vietnam and Brunei.

The letter underscores why Obama and other TPP members are unlikely to give Japanese Prime Yoshihiko Noda an immediate 'yes' if Tokyo does ask to join.

The USTR's office provided assurance it would hold discussions on any Japan application.

"A bold decision by Japan to pursue a high-standard TPP agreement would cause us to begin, in close cooperation with Congress and with U.S. stakeholders, intensive consultations with Japan on the issue of Japan's candidacy," a spokeswoman for Kirk said.

The leaders of the U.S. House of Representatives Ways and Means Committee and the Senate Finance Committee acknowledged in their letter that "Japan is a longtime U.S. ally and friend," whose entry into the TPP could lead to "much-needed change" in Tokyo's approach to international change.

But because Japan "has long sheltered its domestic market from meaningful competition," the United States must make sure Tokyo is truly prepared to open its markets and meet the high standards of a U.S. free trade agreement before the two sides embark on talks, they said.

A large number of U.S. goods and services including beef, insurance, drugs and medical devices "face serious market access barriers in Japan," many of which are so deeply embedded that it raises questions whether they can be successfully addressed in a free trade pact, the lawmakers said.

Obama and leaders on the eight other TPP are expected to hold a separate meeting on Saturday to announce negotiators have already reached the broad outlines of a final agreement after nine rounds of talks.

Many trade analysts believe Japan's entry into the negotiations could drag out final negotiations on a deal, which Kirk has said the United States wants to conclude within the next year.

The goal of current TPP countries is "a high-quality, gold standard agreement and that has to remain the case for any country that enters, not just Japan," said Monica Whaley, president of the National Center for APEC, the U.S. business organization helping to host the APEC summit.

"But you also have to recognize the tremendous and monumental step that Japan is taking for even considering joining the TPP," Whaley said.

Because of that Obama and other TPP participants will likely be as positive as they can if Japan asks to join, without making a definitive final commitment, Whaley said.

(Reporting by Doug Palmer; Editing by Eric Walsh)

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