



AN OPEN LETTER TO THE BIPARTISAN TRADE LEADERSHIP OF THE U.S. CONGRESS

March 20, 2013

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Orrin G. Hatch
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Dave Camp
Chairman
Committee on Ways & Means
United States House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways & Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Baucus, Chairman Camp, Senator Hatch, and Congressman Levin:

Japan's announcement that it is seeking to join the Trans-Pacific Partnership trade negotiations underscores the TPP's growing importance as a path to strong and fair trade rules throughout the Asia-Pacific region. Admitting Japan to the TPP talks would add the economic heft of Japan's \$4 trillion economy to these groundbreaking trade negotiations, and would offer the prospect of significant new export opportunities for the United States and American workers.

America's globally competitive manufacturers, farmers, ranchers, and service providers have incredible opportunities to export to a rapidly growing Asia-Pacific—a market that will add over 1 billion new middle class consumers and trillions of dollars in new imports by 2020. Third Way has forecast, for example, that in 2020 alone, leading Asia-Pacific economies will import almost \$10 trillion in goods. Japan's inclusion in a strong TPP agreement could break down current barriers and help America win a greater share of this expanding economic pie.

But the inclusion of Japan also raises two concerns. First, if the TPP is to meet its great potential as a transformative, market-opening agreement, Japan's participation must not be allowed to significantly slow down the TPP talks. Second, the addition of Japan must not water down the benefits of any eventual TPP agreement. The United States and its TPP negotiating partners must hold Japan to its promises to put everything on the table and to meet the TPP's high standards for liberalizing trade through a truly comprehensive, high-standard trade agreement. This will require Japan to make significant progress in eliminating serious tariff and non-tariff barriers that continue to thwart trade in manufactured and farm goods, and services. And it will require that Japan make lasting structural

reforms that assure that promises of more open markets are matched by real, concrete results. A Japan entry that adheres to the spirit and high standards of the current TPP talks is important progress; an entry that weakens those standards with carve-outs and exceptions would damage this important trade pact.

We look forward to the opportunity to work with each of you and the Administration as you endeavor to assure that the TPP is a strong, high-standard trade agreement that opens real opportunities in key global markets for American producers and workers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Kessler', written over a horizontal line.

Jim Kessler
Senior Vice President for Policy
Third Way