

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

November 20, 2019

The Honorable Richard Neal
Chairman
Committee on Ways & Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Earl Blumenauer
Chairman, Subcommittee on Trade
Committee on Ways & Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Neal and Chairman Blumenauer:

Thank you for convening the hearing today about the U.S.-Japan Trade Agreements. These “Phase One” agreements are very welcome and will help the United States reestablish its leadership position in the Japanese market. We look forward to working with you to build on these initial agreements by completing a comprehensive trade agreement with Japan that will further strengthen our relationship with Japan and benefit all sectors of the U.S. economy. We write to highlight several principles that will be our focus in today’s hearing and into the future.

First, the “Phase One” U.S.-Japan Trade Agreement is a great win for America because it will level the playing field in Japan for most of our agricultural exports. There is tremendous demand in Japan for U.S. food and agricultural products, but our farmers and ranchers face a disadvantage against competitors in Australia, Canada, the EU, and Mexico, which have negotiated tariff reductions that don’t include us. This agreement will immediately level the playing field for most U.S. agricultural exports and will continue to reduce tariffs going forward.

Second, the U.S.-Japan Digital Trade Agreement builds on the existing cooperation between our two digitally-advanced countries to set the highest possible standards and rules that will allow U.S. companies to see the benefits of our world-leading technology and innovation. This agreement will ensure predictable rules for an open digital trade environment.

Third, we must continue to negotiate with Japan toward prompt conclusion of a comprehensive trade agreement. These initial agreements are economically significant and show that the United States and Japan are able to partner together to open our markets and develop high standards. They are important steps toward a comprehensive trade agreement with Japan that addresses the full range of issues identified in USTR’s December 2018 negotiating objectives and set by Congress in the Bipartisan Congressional Trade Priorities and Accountability Act (TPA). We are pleased to see that the United States and Japan jointly confirmed their intent to continue

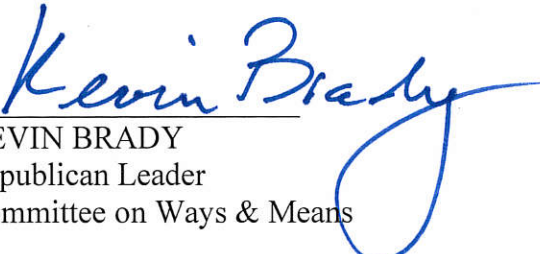
negotiating a comprehensive trade agreement, and we look forward to working with you to push for a conclusion of comprehensive high-standard agreement as soon as possible. We expect the Administration to consult robustly and thoroughly with Congress on a bipartisan basis throughout these negotiations and to follow the letter and spirit established by the TPA consultation requirements.

Fourth, in implementing the "Phase One" Agreement in a manner that maximizes Congressional support for its trade agenda, we expect that the Administration will exercise its authority consistent with the narrow requirements set by Congress under Trade Promotion Authority which relate exclusively to setting tariff levels.


Fifth, we absolutely must pass USMCA this year, without further delay, to lock in new opportunities and ensure greater certainty for U.S. farmers, ranchers, workers, and companies in all sectors. These initial agreements with Japan are important, and we strongly support them. At the same time, Congress has the opportunity to approve the much larger comprehensive USMCA deal this year to increase certainty, expand access for our exports, improve fairness, and set critical new standards in our trade relationships with our closest neighbors. We must pass the agreement this year to lock in these benefits and gain an even bigger trade win for all Americans.

We look forward to discussing these important issues with the witnesses today and working on a bipartisan basis to ensure our trade relationship with Japan is open and fair so that Americans can compete and win in this vital market while maintaining high standards that are a model for the world.

Sincerely,



KEVIN BRADY
Republican Leader
Committee on Ways & Means



VERN BUCHANAN
Republican Leader
Subcommittee on Trade
Committee on Ways & Means