



Setting Standards for Excellence

Mr. Douglas Bell  
Chairman, Trade Policy Staff Committee  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, DC

Re: Japan's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations  
Docket USTR—2011—0018

Dear Mr. Bell,

Thank you for the opportunity to provide the following comments in response to the December 7, 2011, *Federal Register* notice seeking views regarding Japan's expression of interest in joining the Trans-Pacific Partnership (TPP) Trade Negotiations.

NEMA is the association of electrical equipment manufacturers, founded in 1926 and headquartered in Arlington, Virginia. Its member companies manufacture a diverse set of products including power transmission and distribution equipment, lighting systems, factory automation and control systems, and medical diagnostic imaging systems. Worldwide annual sales of NEMA-scope products exceed \$120 billion.

According to U.S. government data, the value of U.S. exports of electrical and medical equipment within NEMA's scope to Japan in 2010 totaled approximately \$1.3 billion; data through October of 2011 indicated a slight increase for the full year of 2011 over 2010. Leading sectors are medical x-ray and magnetic resonance imaging apparatus and parts as well as equipment used to protect and connect electrical circuits.

We are encouraged by the interest that Japan has recently shown in the TPP, but we are even more encouraged at the great progress that has been made so far in negotiations among the current TPP partners. We are hopeful that the TPP negotiations will conclude this year with the highest-standard agreement possible. In this regard, we urge that any participation by new countries, including Japan, in the TPP not diminish the TPP's high standards for trade liberalization.

Accordingly, any participation by Japan in the TPP must result in significant new market access for U.S. electroindustry exporters. Without question, aggressive/timely reduction and elimination of Japan's tariffs, while welcome, would only open a small hole in the formidable barriers U.S. electroindustry exporters face. We view Japan's potential participation in the TPP therefore as a significant opportunity to level the playing field for U.S. manufacturers and service providers.

U.S. bilateral and plurilateral efforts to reduce and eliminate non-tariff barriers in Japan have produced too little in the past three decades.

In general, NEMA endorses the principles elucidated by the National Association of Manufacturers in its comments on this topic. In addition, NEMA recommends that all U.S. free trade agreements adhere to the following principles.

- Immediate reciprocal tariff elimination
- No governmental mutual recognition agreements (MRAs) where product is not U.S. federally regulated
- National treatment
- Adequate legal and administrative infrastructure in place for implementation, transparency and enforcement of agreements
- Protection of intellectual property rights
- Elimination of technical barriers to trade (TBTs)
- Compliance with all World Trade Organization (WTO) TBT Agreement requirements
- Safe conduct of product and persons
- Energy and environmental services liberalization
- Inclusive definition of “International Standards”
- Market-driven development of product standards and conformity assessment
- Conformity attestation methods that include the optional use of the International Electrotechnical Commission Conformity Assessment Systems – IECCE, IECEX and IECQ – where appropriate

In particular, as part of its accession to the eventual TPP Agreement, NEMA strongly recommends that Japan must be prepared to

- Eliminate anti-competitive practices in its government procurement and public works markets that have stymied foreign competitors
- Achieve full transparency of standards and regulations
- Reform medical policies and practices that lead to discriminatory trade treatment
- Fully open its market for services, including testing and technical services, distribution services, energy services, environmental services, and medical services.

Finally, as a party to the Anti-Counterfeiting Trade Agreement (ACTA), Japan's addition to the TPP would lend greater weight to the TPP provisions on protection of intellectual property rights.

Thank you again for the opportunity to share our views and recommendations. We hope these comments will contribute to constructive consultations with the government of Japan. We look forward to providing further advice at your request or as conditions warrant.

Respectfully,

A handwritten signature in black ink that reads "Kyle Pitsor". The signature is written in a cursive, flowing style.

Kyle Pitsor  
Vice President, Government Relations