

United States Senate

WASHINGTON, DC 20510-2202

November 9, 2011

The President
The White House
Washington DC 20500

Dear Mr. President:

I am deeply concerned that Japan may soon announce its intention to participate in Trans-Pacific Partnership (TPP) free trade agreement negotiations with the United States without first having demonstrated any effort to reverse decades of protecting its home auto market. I urge you to clearly oppose any effort by Japan to join the TPP at this time.

Japan has the world's third largest auto market yet it remains the most closed auto market in the developed world. Imports make up less than 5 percent of all vehicle sales in Japan compared to 45 percent in the U.S., 65% in Italy and 77% in Canada. While Japan limits market access to certain imports, most notably autos, its exports enjoy free access to the open U.S. auto market. In 2010 Japan exported millions of cars globally -- including 1.5 million to the United States compared to U.S. auto exports to Japan which were limited to only 8,000. This is clearly not two-way trade nor the result of market forces at work. The one-way street is a U.S. job killer.

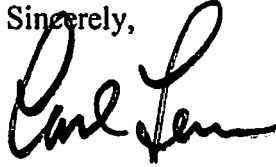
Japan has no auto tariffs yet has been able to keep its market closed through non-tariff barriers which are notoriously difficult to fight. If we allow Japan to join the TPP they will seek to reduce our remaining low auto and parts tariffs while we gain no reciprocal or meaningful access to Japan's market. We cannot ignore the importance of the automotive sector when it comes to U.S.-Japan trade. Autos accounted for 70% of the \$60 billion U.S. trade deficit with Japan in 2010. Japan's one-way auto trade relationship with the United States, as well as Europe and other global auto manufacturing centers is unacceptable under any circumstance, but particularly in context of a free trade agreement.

You wisely understood the importance of fighting for the American automotive industry because it supports tens of thousands of critical manufacturing jobs. As a result, over the past several years, the American auto industry has undergone a dramatic restructuring. In the process, America's automakers have emerged as competitive global manufacturers with industry-leading products. Today, they are at the forefront of the United States' economic recovery, adding billions of dollars in American manufacturing investment and creating tens of thousands new American jobs. The auto sector as a whole continues to be America's leading exporting sector. Providing preferential trade benefits to Japan given their track record of keeping their market protected would undermine -- both at home and abroad -- these contributions and the competitive gains recently made.

set of negotiations. At a minimum, before we consider entering into a free trade agreement with Japan, Japan must first demonstrate a sustained multi-year commitment to open its market to U.S. and other countries' auto and auto parts exports.

It would be a mistake to allow Japan to become part of the TPP and I urge you to clearly say "no."

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Levin". The signature is written in a cursive, flowing style with a large initial "C".

Carl Levin

CL/amp