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## **Reporters Memo: Japanese Prime Minister Abe's Visit to Washington**

# **The 12 Questions about the Trans-Pacific Partnership (TPP) that President Obama and Prime Minister Abe Do *Not* Want to Hear this Week**

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**Contact: Steve Knievel, 202-454-5122**

Today Japanese Prime Minister Shinzo Abe arrives in Washington for a Friday meeting with President Obama. A hot item on the agenda is the possibility of Japan joining the Trans-Pacific Partnership (TPP), a U.S. NAFTA-style “free trade” agreement currently under negotiation between 11 Pacific Rim nations. Japan is not now involved in TPP negotiations and Prime Minister Abe’s party, the Liberal Democratic Party (LDP), [explicitly campaigned](#) against joining the TPP in the December elections that restored Abe and his party to power. Recent indications that Abe [may contradict](#) those campaign pledges have ignited a [torrent of criticism](#) within Japan and prompted the Japanese press to flood the Abe administration with [tough questions](#) regarding his TPP intentions. Meanwhile, key Obama constituencies, such as [the auto industry and unions](#), have vocally opposed Japan’s inclusion, while U.S. [congressional leaders from both parties](#) have expressed opposition to the entire deal alongside consumer, labor, environmental, public health, Internet freedom and other public interest groups.

Here are 12 questions on the TPP that President Obama and Prime Minister Abe do not want to hear during Abe’s visit this week:

For both Prime Minister Abe and President Obama:

- The TPP replicates provisions from prior NAFTA-style agreements that empower foreign investors to skirt domestic laws and courts and privately enforce the terms of a public treaty by directly challenging governments’ public interest policies before foreign tribunals to demand unlimited sums of taxpayer compensation. The premise for including such extreme extra-judicial enforcement procedures in past agreements has been that the domestic legal systems of developing country trade partners have not been sufficiently trustworthy. President Obama, do you see Japan’s domestic legal system as not sufficiently trustworthy, or do you plan to exempt U.S. firms operating in Japan from these investor privileges? Prime Minister Abe, I would ask the same question with regard to the U.S. domestic legal system and Japanese firms operating in the United States.
- The TPP would bar both of your governments from favoring domestic companies with fiscal stimulus, or from requiring that taxpayer dollars be directed toward domestic firms in government

procurement. China, meanwhile, remains free to pursue such pro-growth, domestically-focused strategies. If both Japan and the United States intend to compete with China, why would either country benefit from such limiting provisions in the TPP?

For President Obama:

- In your recent State of the Union, you stated a priority of “[making America a magnet](#) for new jobs and manufacturing.” Given that wages in Vietnam are approximately one-third of those in China, how do you see the TPP – a NAFTA-style deal with Vietnam – contributing to your manufacturing growth goals for America?
- Japan’s powerful rice lobby has successfully pushed Prime Minister Abe’s party to conditionally reject the TPP unless Japan is granted an exemption from tariff cuts on sensitive products like rice. Vietnam, as one of the world’s largest rice exporters and a TPP negotiating party, is unlikely to accept such an exemption unless the United States grants Vietnam greater access to its own sensitive economic sectors, such as the manufacturing sector that you pledged to expand in your State of the Union speech. How do you expect to simultaneously satisfy Japan and Vietnam and grow American manufacturing?
- The U.S. auto industry and unions, key supporters of your administration, have rejected Japan’s inclusion in the TPP, citing Japan’s resistance to lowering import barriers on U.S. autos. Have you been able to extract from Japan a commitment to lower these barriers as a precondition to joining the TPP?

For Prime Minister Abe:

- Your party has stated that it is not interested in joining the TPP unless you are guaranteed that there is no precondition that tariffs must be cut on all products without exception. Given that no such assurance has been given, what do you have to discuss with President Obama regarding the TPP?
- Given the LDP campaign pledge to protect the national healthcare system, have you been able to extract from the United States a commitment to exempt Japan from the provisions in the proposed TPP text that would extend medicine patents and challenge national drug formularies?
- Japan’s legal associations have opposed the TPP’s proposed inclusion of investment provisions that would allow foreign corporations to skirt Japan’s laws and courts and directly challenge Japanese domestic policies in foreign tribunals, demanding taxpayer compensation for public interest laws that they claim to be violations of TPP-granted investor privileges. Have you been able to extract a commitment from the United States to exempt Japan from these provisions?
- Japanese consumer safety groups have opposed proposed TPP rules that would require Japan to accept meat, poultry and other food from the United States and other TPP countries that are deemed to have roughly “equivalent” food inspection systems, even if Japan’s specific food safety requirements were not met. Have you been able to extract a commitment from the United States to exempt Japan from these rules?

- Japan's economy relies heavily on the use of existing technologies to spur innovation and growth. Given that the TPP's proposed text would significantly expand intellectual property protections so as to inhibit open-source usage of existing technologies, have you been able to extract from the United States a commitment to exempt Japan from these rules?
- Japan's farm ministry [calculates](#) that the TPP would cause a ¥7.9 trillion downfall in Japan's gross domestic product and the loss of 3.4 million jobs. How do you see the TPP fitting into the economic growth goal that is one of the three pillars of your reform platform?

Have you been able to extract from the United States commitments to exclude rice, beef, pork, dairy, sugar or other sensitive agricultural sectors from the TPP's tariff-cutting requirement, given the intense anti-TPP pressure exerted by the farmers in these sectors who helped return the LDP to power in December? Have you been able to extract such a commitment for construction, postal services, insurance or other sensitive service sectors that have also opposed the TPP?