

ALERT

# New US-Japan Trade Agreement Talks an Opportunity to Lower Barriers into Japan

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On September 26, 2018, the United States and Japan announced that they will enter into negotiations for an agreement on goods, services, and other key areas. The intent is to reach an early agreement on these areas, and then to negotiate on other trade and investment issues.

This is an important opportunity for companies that face barriers in Japan to engage with the Administration and Congress and open the Japanese market. Japan is one of the largest economies in the world, and maintains significant trade barriers that affect U.S. exports. Not just industrial goods and tariffs will be affected – chemical, pharmaceutical, medical and high-tech products will be covered, as well as e-commerce, financial services, and digital trade. There is a significant opportunity to reduce regulatory barriers regarding data flows, product safety requirements, and food and agricultural goods standards.

Although Japan was a party to the prior Trans-Pacific Partnership (TPP) negotiations, the United States does not have a trade agreement with Japan. The fact that an issue was addressed earlier in the TPP negotiations does not reduce the need for further engagement. While the work in the TPP negotiations could be the basis for discussion, the two sides will at the very least reassess earlier agreements and modify them as needed to reflect current objectives and negotiating dynamics. This was the case for several issues that overlapped the TPP negotiations and the current renegotiation of the North American Free Trade Agreement. In addition, solely relying on trade associations may not be effective due to past interactions between the Administration and some associations on trade policy.

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## Practice Areas

International Trade

The U.S. Trade Representative (USTR) will presumably lead the discussions, so outreach will need to focus on USTR. However, outreach to other agencies will be required depending on the issue, such as the U.S. Departments of Commerce, Treasury, Agriculture, and Health and Human Services, and the U.S. Environmental Protection Agency. Engagement with Congress will also be required, especially if Congress will need to pass legislation changing U.S. law to implement tariff reductions and other obligations.

Wiley Rein LLP can assist companies with advancing their objectives in the US-Japan discussions. Our substantive trade experience, work with a variety of sectors and experience in both the Executive Branch and Congress enables us to create and execute effective legal and government affairs strategies. Negotiations may soon start, so companies should not delay in developing a strategy.