

June 19, 1997

**JOINT STATEMENT ON THE U.S.-JAPAN ENHANCED INITIATIVE ON
DEREGULATION AND COMPETITION POLICY UNDER THE US-JAPAN
FRAMEWORK FOR A NEW ECONOMIC PARTNERSHIP**

1. Basic Principles

- A. In today's increasingly integrated world economy, it is becoming more important to address consumers' interests in expanded choices of products and services that are readily available at lower prices, through enhanced competition and improved market access opportunities. With a view to meeting consumers' interests and to improving market access for foreign companies and foreign goods and services, the President and the Prime minister decided in April 1997 to strengthen the dialogue between and reinforce the efforts of their governments with regard to deregulation and competition policy under the US-JAPAN Framework for a New Economic Partnership ("Framework"). This Enhanced Initiative on Deregulation and Competition Policy ("Enhanced Initiative") is intended to carry out that decision.
- B. The objective of the Enhanced Initiative, which will address both sectoral and structural issues, is to conduct a serious exchange of views and to undertake Measured, as called for in the Framework, to "address reform of relevant government laws, regulations, and guidance which have the effect of substantially impeding market access for competitive goods and services" in order to enhance consumers, interests and to increase efficiency and promote economic activity.
- C. The Enhanced Initiative will be carried out through meetings of the High level Officials Group and expert-level groups, described below, consistent with the principles of the Framework, such as achievement of tangible progress, limiting consultations to matters within the scope and responsibility of Government the MPN principle, and the removal of sectoral and structural impediments to expanded international trade and investment flows. In addition, the meetings held under this Enhanced Initiative will take place under the basic principle of two-way dialogue.

II. The High-level Officials Group and Reports to the Leaders of the Two Countries

- A. A High-level Officials Group will be established to review and comment on reports by the expert-level groups. The High-level officials Group will make utmost efforts to resolve any outstanding issues forwarded by the expert-level groups.
- B. The High-level Officials Group will be chaired by the Deputy Minister, Ministry of Foreign Affairs (MOFA), and the Deputy USTR. Other principal agencies participating in the expert-level groups as described in Section III will be represented by appropriately ranked officials from the GOJ and the USG.

- C. Meetings of the High-level Officials Group will be held once a year, or more frequently as agreed by both sides.
- D. The progress under the Enhanced initiative will be reported to the leaders of the two countries since the strengthening of dialogue on deregulation is based on the decision between the leaders of Japan and the United States, and the promotion of deregulation and active implementation of competition policy are issues of major importance to the GOJ.

III. Expert-level Group

A. Overview

- (1) Expert-level groups will be tasked with fulfilling the objective of the Enhanced Initiative.
- (2) Initially, five expert-level groups will be included within the Enhanced Initiative: four sectoral groups
 - telecommunications, housing, medical devices/pharmaceuticals, and financial services
 - and the Deregulation and Competition Policy Working Group (the Working Group).
- (3) Expert-level groups on other issues may be established or otherwise brought under the Enhanced Initiative in the future as agreed by both sides.
- (4) Each experts-level group will decide the schedule and items to be taken up in its group.
- (5) Officials in charge of domestic regulations within the scope of each expert-level group will participate as appropriate.
- (6) Each expert-level group will report in writing to the High level Officials Group, unless the expert-level group decides otherwise.

B. Sectoral Groups

The two governments will use existing fora to the extent possible, including the following:

- (1) Deregulation in the telecommunications sector, including the implementation of the GATS commitments on basic telecommunications in each country, will be addressed in the existing experts group, co-chaired by MOFA and the Ministry of Posts and Telecommunications and by USTR for the USG.
- (2) Deregulation in the housing sector will be addressed in an expert-level group at the occasion of the existing wood product subcommittee, chaired by MOFA for the GOJ

and USTR for the USG. The housing expert group will be co-chaired by MOFA and the Ministry of Construction for the GOJ and by USTR for the USG.

- (3) Deregulation in the medical devices/pharmaceuticals sector will be addressed in the existing MOSS medical devices/pharmaceuticals consultations, chaired by the Ministry of Health and Welfare for the GOJ and by the Department of Commerce (DOC) for the USG.
- (4) Deregulation in the financial services sector will be addressed in the existing financial services consultations, chaired by the Ministry of Finance (MOF) for the GOJ and by the Department of Treasury for the USG.

C. Deregulation and Competition Policy Working Group

- (1) The two governments will continue to address developments in the deregulation process within the Deregulation and Competition Policy working Group (the Working Group), chaired by MOFA for the GOJ and by USTR and the Department of Justice (DOJ) for the USG.
- (2) Cross-sectoral issues will be addressed within the Working Group as follows:
 - Structural issues such as competition policy and distribution will be addressed in a subgroup that will be established, to be co-chaired by MOFA, MOF, Ministry of International Trade and Industry, Ministry of Transportation, and the Japan Fair Trade Commission for the GW and by the Department of State and DOJ for the USG.
 - issues related to transparency and other government practices will be addressed in the Working Group, which, for the purposes of this dialogue will be chaired by MOFA for the GOJ and by DOC for the USG.
- (3) Other issues on deregulation which are not discussed in other expert-level groups may also be taken up within the Working Group.