

US Congressional Staff Exchange Program

23rd Congressional Staff Delegation to Japan

July 2014

SEVEN SENIOR CONGRESSIONAL aides met with more than 75 government leaders, legislators, business executives, military officers, and foreign policy experts during a June 28–July 5 fact-finding trip to Japan as part of JCIE’s 2014 Congressional Staff Exchange Program. The program included a series of roundtable discussions, briefings, and site visits that dealt with a broad range of key security and economic issues underpinning US-Japan relations, with many of them focusing in particular on the significance of the Trans-Pacific Partnership (TPP) trade negotiations for the bilateral relationship.

PARTICIPANTS

- Phillip Brown, *Specialist in Energy Policy, Congressional Research Service*
 Darrell Rico Doss, *Economic Policy Counsel, Representative Sheila Jackson Lee (D-TX)*
 Aaron Hiller, *Chief Oversight Council, House Committee on the Judiciary*
 Jeff Lowenstein, *Legislative Director, Representative Adam Schiff (D-CA)*
 Spencer Pederson, *Legislative Assistant, Senator Tim Scott (R-SC)*
 Mary Frances Repko, *Senior Policy Adviser, House Democratic Whip Steny Hoyer (D-MD)*
 William G. Todd, IV, *Deputy Legislative Director, Senator Thad Cochran (R-MS)*

SUMMARY OF DISCUSSION

Regional Security and the US-Japan Alliance

The specter of tense China-Japan relations hung over many of the discussions. China’s challenges to Japan’s

effective control of the disputed Senkaku Islands, as well as the dynamics surrounding the continuing large increases in the Chinese military budget and rising tensions between China and other countries that border the South China Sea, have helped drive a large-scale shift in Japanese public sentiment. Now, roughly 90 percent of Japanese citizens report having an unfavorable impression of China, an increase of more than 50 points over the past decade. As one of the policy experts who met the group explained, the Japanese public now feels that its national security is threatened in a way that it has not been for decades.

Against this backdrop, the delegates had a series of discussions about the future of the US-Japan alliance. Some concerns were voiced by their Japanese counterparts about the reliability of US alliance commitments to help defend Japan in case of a conflict with China. But the government officials and military officers with whom the group spoke—including at the Yokota headquarters of US Forces Japan and at Japan’s National Defense Academy—expressed deep confidence in the alliance and praise for the close working relationship that the two militaries have developed in recent years.



Diet members and the delegation pose after a breakfast roundtable on US-Japan relations.



The Asahi Shimbun's Tsutomu Ishii briefs the delegation on Japanese politics.

Nevertheless, many of the leaders and experts also felt that now it is time for Japan to expand its capacity to defend itself.

This point was driven home during the program when, on July 1, Prime Minister Shinzo Abe announced his cabinet's decision to change the interpretation of the Japanese constitution to allow the exercise of collective self defense under limited circumstances. Remarkably, the delegation did not hear any arguments against this move from the numerous political leaders and foreign policy experts they met—even from those in the opposition camp. Many of the experts they spoke with scoffed at characterizations in the overseas media of these steps as a “return to militarism,” which they explained were grossly overblown, warning that the real danger may arise instead from Japan's partners overestimating just how much of an impact the loosening of constitutional restrictions will have on Japan's ability to support its allies and partners.

Notably, there was virtually no mention of disagreement with the substance of the decision in the delegation's meetings. Instead, the only criticism of the moves to allow collective self-defense came from those who were unhappy with the process of carrying



Rep. Yasuhisa Shiozaki and participants discuss trade issues

About JCIE's US Congressional Staff Exchange Program

- Over the past four decades, more than **1,130 leaders** have taken part in JCIE's political exchange programs.
- Since its inception in 1982, **163 participants** have traveled to Japan on the US Congressional Staff Exchange Program.
- The 2014 delegation exchanged views with nine Diet members from four different political parties; officials from Japan's foreign and economy ministries, the US Embassy, the Office of the US Trade Representative, and the Tokyo Metropolitan Government; and more than a dozen think tank experts.
- They also discussed ways of expanding US access to the Japanese market with nearly a dozen business executives at US companies in Japan and talked with Japanese business leaders about how to strengthen bilateral economic ties.
- Outside of Tokyo, the group visited a US military base, was briefed at Japan's National Defense Academy, and spoke with a local farmer about entrepreneurship and agriculture policy.
- Prior to their departure for Japan, delegation members also took part in a briefing on regional trade negotiations with Mireya Solis (Brookings Institution).

out the reinterpretation. Nonetheless, many of the Diet members with whom the group met reported that there is considerable opposition among their constituents, and their assessment was backed up by polls showing more than 50 percent of voters against the reinterpretation.

Economics & the TPP

In contrast to the sense of concern surrounding national security, there was considerable optimism, especially among the Japanese business leaders who met with the group, that Abenomics is working and that the Japanese economy is poised for stable growth. Several offered praise for the so-called “third arrow” of structural reforms, arguing that the disappointment in it voiced by some foreign investors is misguided. One explained that the image of an arrow is actually deceptive since this round of reforms are not likely to have a direct and highly visible impact in the immediate future; instead, he argued, that these initiatives should function like 1,000 small acupuncturist needles



Lt. Col. Shutaro Sano shows off the campus of the National Defense Academy

that eventually yield major benefits in changing how the overall economic system works over the long term.

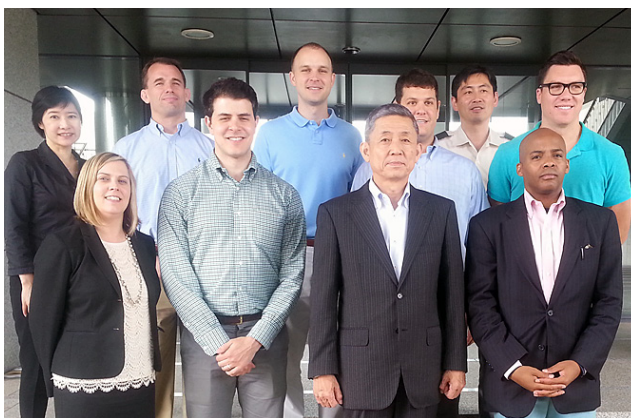
Similarly, there was a consensus among most of the Japanese leaders and experts who spoke with the delegation that the TPP is a desirable agreement and its successful passage will be crucial in ensuring the strength of the US-Japan economic relationship. Many of these leaders stressed the strategic implications of the trade pact, noting that implementing high-standard rules of the road for economic interactions through the TPP will be critical in putting pressure on China to improve its trading practices and strengthen its regulatory and investment guidelines. They also argued that whether or not it can be ratified by the US Congress will be seen as a sign of the depth of the US commitment to Japan.

Many people seemed confident that the Japanese government will be able to manage domestic interest groups and succeed in negotiating an agreement with the United States that allows the TPP to go forward. Japan's agricultural lobby has been considered the most powerful domestic obstacle to the Abe administration's efforts to reach agreement on the TPP; however, several political leaders and experts confided that the lobby's political clout has weakened significantly in recent years, making it unlikely to prevent Japan's accession. Japanese experts raised more concerns, though, over whether the US Congress would vote to ratify the agreement, and they expressed deep skepticism about whether this could be done if President Obama fails to obtain trade promotion authority (TPA) from the Congress. Some delegation members responded that the lame duck session of Congress, likely to take place in November and December 2014 after the midterm elections, will probably be the key period when TPA

needs to be passed if the TPP is to be ratified during the Obama presidency.

Energy Security: There was also considerable discussion of energy policy. This has become a major topic of public debate since the Fukushima Daiichi accident led to the shutdown of Japan's 50 remaining nuclear power plants, which provided roughly 30 percent of the country's electricity supply prior to the accident. Although the Abe administration has repeatedly expressed its determination to begin restarting some of the shuttered nuclear plants, none of the experts who spoke with the group could give a clear sense of when the restarts could begin and how many plants could really be expected to come back on line.

Numerous people asked the group whether the United States is likely to make it easier for Japan to import liquefied natural gas (LNG) to ease Japan's energy crisis. There is a large disparity between LNG prices in the United States, which is benefiting from the shale gas boom, and Japan's import price, and Japanese leaders hope that the eventual completion of the TPP will remove regulatory restrictions on American LNG exports. One delegation member explained that, while a successful completion of the TPP will ease the requirement the requirement for a license from the US Department of Energy, additional regulatory hurdles will remain since a separate license from the Federal Energy Regulatory Commission will still be needed for any LNG export projects to get off the ground. And, aside from regulatory issues, another challenge is likely to be the amount of time and money needed to finance and build the facilities required to export LNG to Japan.



Participants with Lt. Gen. (ret.) Noboru Yamaguchi and Professor Takako Hikotani at Japan's National Defense Academy



The delegation's discussions during their weeklong program also covered common challenges facing both countries, from their difficulties in formulating an effective immigration policy to the lessons that can be learned from Japan's experience with an aging society. Concerns over how domestic politics have encroached on foreign policy making in Japan, the United States, and other countries in Asia were voiced by several Japanese experts. And several Diet members with whom the group spoke expressed admiration for the US legislative support system, arguing that Japan, which only provides Diet members with three publicly funded staff to support their activities, has much to learn from the US system, which allows Congressional members to employ many more staff like the delegation members and encourages them to develop strong expertise in policy areas critical for the legislative process.



The 2014 Congressional Staff Exchange Program in Japan has been made possible with support from the Japan-US Friendship Commission and many other friends of JCIE.



Participants with Representative Takao Ochi, Tokyo City Council members, and staff of the Tokyo Metropolitan Government



Former Bank of Japan official Akinari Horii explains the impact of Abenomics