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## United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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March 16, 2010

Ambassador Ichiro Fujisaki  
Embassy of Japan  
2520 Massachusetts Avenue, N.W.  
Washington, D.C. 20008

Dear Ambassador Fujisaki:

We are writing with regard to certain long-standing barriers imposed by Japan to imports of U.S. goods and services.

Japan continues to place restrictions on imports of U.S. beef due to alleged concerns about bovine spongiform encephalopathy (BSE) that are scientifically unwarranted. The World Organization for Animal Health (OIE) determined in 2007 that U.S. beef derived from cattle of all ages is safe due to safeguards undertaken by the United States. Moreover, millions of Americans consume U.S. beef from cattle of all ages every day, so the safety of this product cannot seriously be in doubt. Yet Japan still limits imports of U.S. beef to beef from animals aged twenty months or younger. This scientifically unfounded barrier to imports of U.S. beef is causing economic hardship for cattle and beef producers in Montana and Iowa. We urge Japan to base its beef trade policies on science and to open its market to all U.S. beef.

Also citing BSE concerns, Japan has prohibited imports of U.S.-produced bovine-origin gelatin for human consumption since 2004. Japan's policy is at direct odds with OIE recommendations, which provide that this U.S. product can be traded safely. The Japanese ban on imports of this bovine product is negatively impacting Montana and Iowa cattle producers, and it has led to job losses in Iowa's gelatin manufacturing sector. We urge Japan to lift its scientifically unjustified prohibition on imports of U.S.-produced bovine-origin gelatin for human consumption.

Finally, we understand that Japan is in the final stages of drafting legislation on Japan Post to submit to the Diet. We have long been concerned about the preferential treatment that Japan Post entities have received in Japan's insurance, banking, and express delivery markets and the negative impact of that treatment on Japan Post's private sector competitors. We urge Japan to address these concerns in its legislation so that U.S. and other private sector suppliers receive the equal treatment that Japan's international obligations require.

We look forward to improved economic relations between the United States and Japan once these serious trade concerns are resolved.

Sincerely,



Max Baucus  
Chairman



Charles E. Grassley  
Ranking Member