

111TH CONGRESS
2D SESSION

H. RES. 997

Expressing the sense of the House of Representatives regarding unfair and discriminatory practices of the Government of Japan in its failure to apply its current and planned extension of the Government's Eco-friendly Vehicle Purchase and scrappage program to imported vehicles made by U.S. automakers.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 2010

Ms. SUTTON submitted the following resolution

JANUARY 12, 2010

Referred to the Committee on Ways and Means, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

RESOLUTION

Expressing the sense of the House of Representatives regarding unfair and discriminatory practices of the Government of Japan in its failure to apply its current and planned extension of the Government's Eco-friendly Vehicle Purchase and scrappage program to imported vehicles made by U.S. automakers.

Whereas the President of the United States approved on June 24, 2009, the United States "Consumer Assistance to Recycle and Save" (CARS) Act to jumpstart auto sales and increase motor fuel savings nationwide by pro-

viding incentives to registered owners of high polluting automobiles and replace such automobiles with new fuel efficient and less polluting automobiles, otherwise referred to as the “Cash for Clunkers Program”;

Whereas the U.S. CARS program was launched by the U.S. Department of Transportation on July 27, 2009, with an initial appropriation of \$1 billion and extended on August 6, 2009, with an additional sum of \$2 billion;

Whereas when it ended on August 25, 2009, a total of 677,842 new vehicles were incentivized and purchased through the program, all of which improved the U.S. economy and provided jobs in the automobile industry;

Whereas, according to the U.S. Department of Transportation data, the share of transactions by manufacturers of the total number of new vehicles incentivized included: 120,507 Toyotas, 90,135 Fords, 87,585 Hondas, 86,354 Chevrolets, 58,700 Nissans, 48,780 Hyundais, 24,119 Dodges, 16,144 Mazdas, 12,418 Volkswagens, 9,033 Chryslers, and 3,663 Lexuses, for a total of over 319,000 Japanese brand automobiles, which clearly demonstrates that the U.S. “Cash for Clunkers” program was open to all automobile manufacturers doing business in the U.S.;

Whereas the Japanese Government in April 2009, as part of its “economic crisis measures”, adopted as its version of the U.S. CARS program an “Eco-friendly Vehicle” program, which the Japanese Auto Dealer Association on April 10, 2009, described as a subsidy to achieve effective environmental and economic measures by promoting purchase of new vehicles with high levels of environmental performance, leading to stimulation of the Japanese auto industry;

Whereas the Japanese Government is planning to extend the current Japanese automobile scrappage and subsidy program as early as January 2010;

Whereas, unlike the U.S. CARS program of 2009, the current Japanese Eco-friendly Vehicle Purchase Program is not open and available to all imports of U.S. automobile manufacturers because the Japanese program is only available to automobile models that use a full Government procedure called “Type Approval” of each model that generates an official fuel economy rating;

Whereas as U.S. automobile importers use a more cost efficient Preferred Handling Procedure (PHP), which is accepted by the Japanese Government for imported vehicles sold in Japan;

Whereas even though many U.S. imported automobiles have comparable or better fuel efficiency than Japanese vehicles, they do not qualify for the Eco-friendly Vehicle Purchase Program;

Whereas the House of Representatives strongly believes that the current Japanese Government’s Eco-friendly Vehicle program is unfair and discriminatory in its implementation and its failure to apply to low volume automobile imports of U.S. automobile manufacturers by excluding fuel efficient U.S.-made automobiles that meet the same fuel economy requirements of the United States that automobiles of Japanese manufacturers met in 2009 under the U.S. Cash for Clunkers program in qualifying for U.S. incentives for their automobiles; and

Whereas such exclusion amounts to the Japanese Government engaging in unfair and discriminatory practices

contrary to international treaty requirements of the World Trade Organization: Now therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 representatives that—

3 (1) the President shall direct the United States
4 Trade Representative with support, assistance, and
5 cooperation of the Secretary of State, Secretary of
6 Transportation, and as appropriate, other Federal
7 agencies to immediately initiate discussions with the
8 Government of Japan to identify and remedy viola-
9 tions of Japan's trade obligations under applicable
10 World Trade Organization requirements for its dis-
11 criminatory policies and practices in regards to not
12 applying incentives for United States automotive im-
13 ports under Japan's Eco-friendly Vehicle Purchase
14 Program, and if no adequate relief is promptly
15 forthcoming to file appropriate measures and com-
16 plaints to initiate dispute resolution actions under
17 authority of the World Trade Organization;

18 (2) any such action should include a detailed
19 analysis of the financial costs and other impacts on
20 the economy of the United States which were in-
21 curred by the implementation of the U.S. CARS in-
22 centives program in regards to Japanese manufac-
23 tured automobiles that received subsidies; and

1 (3) the Secretary of State with the cooperation
2 and assistance of the Secretary of Transportation,
3 the United States Trade Representative, and other
4 relevant Federal officials should take immediately
5 diplomatic and other measures to ensure that any
6 extension by the Japanese Government of the Eco-
7 friendly Vehicle Program is fair and not discrimina-
8 tory in regard to U.S. manufactured automobile im-
9 ports to Japan.

10 SEC. 2. The Clerk of the House of Representatives
11 shall transmit a copy of this resolution to the President.

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