

**Written Statement of William F. Hagerty,
Nominee to be U.S. Ambassador to Japan
Submitted to the Senate Foreign Relations Committee
May 18, 2017**

Mr. Chairman, Ranking Member Cardin, Distinguished Members of the Committee.

It is an honor to be with you today as President Trump's nominee to be the U.S. Ambassador to Japan. I am humbled that the President has entrusted me with this opportunity to work with the White House, Secretary Tillerson, and our talented and dedicated officers at the State Department and Mission Japan to lead our engagement with such an important ally. Few nominees are fortunate to testify before their own senators, and I am privileged to be here before fellow Tennesseans and good friends, Chairman Corker and Senator Alexander. Knowing that I have not journeyed here alone, I would like to take a moment to express my love and gratitude to my family who are with me today: my wife, Chrissy, and my children, William Hagerty, Stephen Hagerty, Tara Hagerty, and Christine Hagerty. Though they are not with me today, I would like to acknowledge Chrissy's mother, Terry; my mother, Ruth and our siblings who are watching from home. And importantly I would like to acknowledge our fathers Bill Locke-Paddon and Bill Hagerty who are with us in spirit today.

The Trump Administration has made clear in words and actions the high priority it places on our alliance, partnership, and friendship with Japan. The President hosted Prime Minister Abe just three weeks after his inauguration. The Vice President visited Japan last month. Secretaries Tillerson, Mattis, and Ross traveled to Japan early in their tenures. This rapid, senior-level engagement underscores the strength and importance of our security alliance and overall bilateral relationship.

Mission Japan is staffed by over 700 dedicated men and women working diligently to advance US interests in Japan and throughout Asia. They support one of our nation's most important partnerships, and I could not be more excited about the opportunity to lead this team, if confirmed. I also look forward to working with the leadership of our distinguished U.S. forces in Japan in managing our all-important Alliance. Moreover, our bilateral relationship is supported by many men and women right here in Washington, whether it be our Japan desk at the State Department or the many departments and agencies that work with their counterparts at Mission Japan every day. This

committee and other legislators and their staffs play an active and vital role in guiding this critical relationship and I would like to underscore my deep appreciation for the leadership and engagement that go into making our relationship with Japan among the strongest any two countries might hope to achieve

I strongly support the Administration's approach, having seen firsthand the importance of this relationship through my own experiences with Japan. These personal connections began when I worked in Tokyo for three years in the late 1980s and early 1990s with the Boston Consulting Group. That time in Tokyo brought home to me our two countries' shared economic interests and security priorities, while affording me lasting friendships and a deep appreciation of Japanese culture.

Years later, as Commissioner of the Tennessee Department of Economic and Community Development, I managed a number of offices overseas, including one in Japan, with a focus on attracting foreign investment and jobs to our state and promoting the export of Tennessee goods abroad. Our success was unprecedented. Tennessee became the first state to be ranked number one in economic development two years in a row, in 2013 and 2014. According to IBM's Global Location Trends report, Tennessee was also the top state in the nation for job creation resulting from foreign direct investment for two of the years that I served in the Governor's Cabinet.

We were particularly effective in regard to Japan, as 40,000 Tennesseans are now directly employed by Japanese firms. In fact, Japan accounted for 60 percent of the billions of dollars in total foreign direct investment we brought to our state, outpacing the investment of all other countries combined.

Japanese firms invest in the United States because they see a strong workforce and long-term earnings potential. Likewise, American companies invest in Japan's large domestic markets. In certain sectors, like financial services, American firms generate a significant net surplus. I would also aim to support new trade opportunities and enhanced access for U.S. firms in the Japanese market to narrow the overall deficit with Japan.

As a fellow champion of the rule of law and market principles, Japan has shown its willingness to work with the United States to ensure free, fair, and balanced trade that is governed by high standards. In 2016, the United States exported \$45 billion in goods and \$63.3 billion in services to Japan, our fifth

largest export market. The Department of Commerce estimates that these exports supported over 600,000 American jobs at U.S. companies.

I believe we can do even better. If confirmed, I will support U.S. efforts to tap export opportunities in agriculture, defense, manufacturing, traded services, and what I see as a major emerging opportunity in the energy sector. During his recent visit to Japan, Vice President Pence launched a new Economic Dialogue as a vehicle to strengthen the bilateral framework for trade and investment. If confirmed, I look forward to contributing to this endeavor, particularly as a way to address our large trade deficit with Japan in goods. I would also strive to leverage my Tennessee experience to encourage more Japanese investment in the United States, with a view to generating even more jobs, particularly in high-skill sectors. Japanese companies has indicated a strong desire to invest in U.S. manufacturing and infrastructure. Our new Economic Dialogue under the leadership of Vice President Pence and Vice Prime Minister Aso should provide the critical groundwork to advance our joint success.

While trade and investment have been a professional focus of mine, I know that the anchor of the overall U.S.-Japan bilateral relationship consists of more than mutual economic pursuits. This relationship is anchored by a shared commitment to the vision of democratic values. On any given day, you will find the United States and Japan cooperating closely on global priorities, as seen in our joint efforts with policing in Afghanistan, anti-piracy operations in the Gulf of Aden, and humanitarian assistance in the Middle East. The U.S.-Japan partnership enjoys strong bipartisan support in the Congress and in the Japanese Diet, making our bilateral ties even more deeply rooted.

Foremost in our relationship is the U.S.-Japan Alliance, the cornerstone of regional peace and security, as well as a platform for global cooperation. The United States has more than 50,000 U.S. military personnel and some of our most advanced defense assets stationed in Japan. The deployment of our best people and our best technology to Japan reflects the ironclad commitment of the United States to the Alliance -- and to the peace and stability of the Asia-Pacific region. This commitment is more critical than ever in the face of fast-emerging security challenges, both in the region and beyond. Most notably, North Korea's nuclear and ballistic missile programs represent the region's most acute threat. We should continue to coordinate closely with Japan and trilaterally with the Republic of Korea in pressuring the Kim Jong-Un regime to abandon its unlawful nuclear, ballistic missile, and proliferation programs. We remain prepared to defend ourselves and our allies, including Japan. The U.S.

commitment to defend Japan through the full range of U.S. military capabilities is unwavering.

Japan has also worked closely with the United States to uphold freedom of navigation, overflight, and commerce. The evolving situations in the East and South China Seas represent a source of concern. Japan's commitment to assume larger roles and responsibilities in the Alliance and to play a more active role in international security activities is integral to the U.S. security posture. Japan's desire to do more is in keeping with the imperative to adapt our Alliance to changing times and threats.

Just as we value the Japanese government's support for the Alliance, so too we must thank the localities that host U.S. forces, particularly in Okinawa. For decades, communities across Japan have offered their friendship to our U.S. service personnel and their families, who aim to reciprocate by being the best neighbors possible. We have pursued measures to reduce the footprint of our military presence in Japan. Aviation training relocation, the transfer of assets to bases outside Okinawa, and the return of base properties are all indicative of this aim. As Ambassador, I would continue to build strong relations with host communities while ensuring our continued capability to fulfill our Security Treaty commitments.

Through exchange programs, cultural activities, and reconciliation efforts, the United States and Japan have developed a close understanding between our two peoples as an enduring foundation for a strong bilateral relationship. As President Trump noted during Prime Minister Abe's visit in February, "the bond between our two nations, and the friendship between our two peoples, runs very, very deep." If confirmed, I would aim to strengthen our people-to-people ties even further. In particular, I envision a revitalization of student exchanges, which have dropped almost 60 percent in the past two decades.

In sum, the U.S. partnership and alliance with Japan is a central pillar of our role in Asia and beyond. Drawing on the strength of the entire U.S. government, particularly our U.S. military personnel, the devoted officers of our U.S. Foreign Service and the many talented individuals representing multiple agencies of our federal government while serving as part of our Mission in Japan, I would, if confirmed as Ambassador, endeavor to deepen our partnership and alliance with Japan so as to respond effectively to regional and global challenges. I am honored to be considered for this critical post, and I will focus all my strength on improving the lives and security of my fellow Americans through engagement with our strongest ally in Asia.