



# US-Japan Alliance Digest

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Image Source: [Reuters](#)

## Headlines:

- Japan asks US to loosen electric vehicle tax credit rules
- Allies conduct large-scale Keen Sword exercises as leaders meet
- Allies try to address US base impact issues in Japan
- US and Japanese health & science institutes start new collaboration
- US and Japanese officials announce nuclear power initiative with Ghana

## Details:

- The Japanese government asked the US for an [easing](#) of rules surrounding tax credits on electric vehicles (EVs) following a similar [request](#) by South Korea. EV tax credits are part of the Inflation Reduction Act signed into law in August, [allotting](#) \$7,500 in credits to US consumers on certain models. The law restricts tax credits to EVs assembled in North America, placing many Japanese auto makers at a disadvantage. Tokyo's [request](#) is that the credits be extended to nearly completed cars exported from Japan undergoing final assembly in North America. Japan is also seeking more flexibility about where certain battery minerals are sourced. Japan's input was [submitted](#) in response to the US Treasury Department's public comment period.
- The **biennial exercise Keen Sword 2023 began** on November 10 and [involves](#) nearly 40,000 US and Japanese military personnel across the Japanese archipelago. This is one of the largest allied exercises [promoting](#) comprehensive interoperability and readiness between the US and Japan across land, sea, air, cyber and space domains. This year saw the Japanese Amphibious Rapid Deployment Brigade conduct amphibious landings [alongside](#) US Marines from the Third Marine Expeditionary Force. In addition, the allies [functioned](#) together in Bilateral Ground Tactical Control Centers where they practiced command and control in a unilateral and bilateral capacity. A total of four warships and two airplanes from Australia, Canada and Britain also [joined](#) the drills. "Strengthening" and "modernizing" the US-Japan alliance was a central theme in a November 13 [meeting](#) between President Biden and Prime Minister Kishida on the sidelines of the East Asia Summit in Cambodia.
- Allied **efforts to alleviate negative impacts of the US military presence in Japan continue**, as the US Navy [completed](#) installation of new wastewater treatment filters at its Yokosuka base in early November to reduce PFOA and PFOS chemical discharge levels. The two chemicals are found in firefighting foam, aircraft grease, and other products, and local officials had [complained](#) about higher-than-acceptable-levels found in recent tests. Also, US F-15C Eagles assigned to Kadena Air Base in Okinawa [participated](#) in Aviation Training Relocation activities at Tsuiki Air Base in Fukuoka Prefecture with Japanese counterparts. The mid-November exercises helped reduce the training volume in Okinawa and supported joint shared use of bases in other parts of Japan, consistent with alliance modernization.
- US Ambassador to Japan Emanuel [hosted](#) a signing ceremony in Naha between the **Cleveland Clinic and the Okinawa Institute of Science and Technology (OIST)** that launches a new bilateral collaboration. The signing establishes a research fellowship for one of Cleveland Clinic's fourth year medical students at OIST and creates a framework for future joint projects. Emanuel has been actively promoting the linking of Japanese and American centers of excellence across a variety of fields.
- In late October, US Under Secretary of State for Arms Control and International Security Jenkins and Japan's State Minister of Economy, Trade and Industry Ota [announced](#) deeper cooperation to support the deployment of small modular nuclear reactor (SMR) and other advanced reactor technologies in partner countries. The initiative, called **Winning an Edge Through Cooperation in Advanced Nuclear (WECAN)**, [begins](#) with a partnership with Ghana. Japanese and US firms such as IHI Corp, plant builder JGC Corp, and NuScale Power are participating.

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"US-Japan Alliance Digest" is a bi-weekly summary of bilateral and related developments compiled by [Sasakawa USA's](#) "US-Japan [NEXT Alliance Initiative](#)." To receive "Alliance Digest" via email, contact [egulum@spfusa.org](mailto:egulum@spfusa.org)