



# US-Japan Alliance Digest

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Image Source: [CNBC](#)

## Headlines:

- Nippon Steel to acquire US Steel in \$14.9 billion deal
- Japan to send Patriot missiles to US, freeing stockpile for Ukraine
- US TRANSCOM Chief Van Ovost meets with officials in Tokyo
- Land Ministry as proxy approves Futenma relocation design changes
- North Korea operationalizes ICBM, sparks allied condemnation/drills

## Details:

- Japan's largest steel producer (Nippon Steel) will **acquire America's 3<sup>rd</sup>-largest producer (US Steel)** in a \$14.9 billion deal announced December 18. Nippon Steel's bid far **exceeded** rival offers but caused some **concern** about such an iconic US industrial asset going to a foreign company. Labor unions and a few local politicians **criticized** the purchase and vowed to resist. Senator Fetterman (D-PA) **said**, "I am committed to doing anything I can...to block it," but US Steel CEO David Burritt **said** "This is going to increase competition here in the US with a great ally to the US." White House National Economic Adviser Brainard **said** President Biden thinks the deal requires "serious scrutiny" and expects a review by the interagency Committee on Foreign Investment in the United States. The Pittsburgh Post-Gazette **reported** on the anxieties of its workforce about the purchase but noted that the sale includes union protections. They also conveyed optimism rooted in previous successful economic investments by Japanese firms in the region, including by **Nippon Steel** in Pennsylvania, West Virginia, Indiana, Kentucky, and elsewhere. The deal could take months to clear.
- Following a policy **change** on the transfer of completed defense equipment, **Japan's government decided to export surface-to-air guided Patriot missile interceptors produced under license in Japan to the US**. This **development** may allow the US to send its stocks of the air defense interceptor to Ukraine, whose own supplies have diminished under persistent Russian attacks. US Ambassador to Japan Emanuel **said** the move shows Tokyo's commitment to supporting international security. The **White House** and US **Defense** Department welcomed the move and expressed appreciation. If the US government wants to transfer these imported weapons to a third country, it must first gain Tokyo's consent. Separately, the allies **signed a project arrangement** on Dec 22 for joint research on "Overwhelming Response through Collaborative Autonomy," to develop **AI-enabled unmanned "loyal wingman" aircraft** to support allied fighters.
- **US Transportation Command chief General Van Ovost met with Chief of Staff of the Joint Staff (SDF) General Yoshida** on Dec 19 to discuss strengthening bilateral logistics and transportation. Van Ovost praised Japan's National Defense Strategy as critical to strengthening the alliance and maintaining the status quo in the Indo-Pacific region. Van Ovost also **met** Japan's State Minister for Foreign Affairs Tsuji. The pair spoke about the severe security environment around Japan and ways to bolster response capabilities. Separately, US White House Coordinator for Indo-Pacific (and Deputy Secretary of State nominee) **Kurt Campbell paid a courtesy call on Foreign Minister Kamikawa** in Tokyo on Dec 18.
- Japan's **Land minister Saito approved on Dec 28 design changes necessary to relocate the US Futenma Air Station** in Okinawa — acting in place of the Okinawa prefectural government, which had **refused** to give its approval. As a result, the Defense Ministry plans to resume as early as mid-January full-scale construction work in a new area of Henoko.
- The **US, Japan, and South Korean foreign affairs chiefs/security advisors condemned North Korea's Dec 18 Hwasong-18 ICBM test**. The defense partners also **carried** out trilateral drills and **planned** other measures to maintain deterrence.

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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)