

## Press Release Brazil

## Joint Statement of the 18th Edition of the U.S.-Brazil Commercial Dialogue

Joseph Semsar, U.S. Deputy Under Secretary for International Trade, Performing the non-exclusive functions and duties of the Under Secretary for International Trade and Brazilian Secretary of Foreign Trade Lucas Pedreira do Couto Ferraz issue the following Joint Statement, which outlines the overall results of the May 14, 2020, virtual meeting of the U.S.-Brazil Commercial Dialogue.

We are pleased to announce the results of the 18th Plenary of the U.S.-Brazil Commercial Dialogue held May 14, 2020. We are committed to continue working cooperatively to improve the commercial relationship by preventing, reducing, and removing obstacles to growing bilateral trade and investment.

The Dialogue continues to serve as a vehicle to achieve the trade and investment priorities of the United States and Brazil and, with those objectives in mind, seeks to be responsive to the needs of U.S. and Brazilian industries. We continue to work to implement Presidents Trump and Bolsonaro's goals, reaffirmed during President Bolsonaro's visit to the United States in March 2020, to deepen discussions for a bilateral trade package and to strengthen the economic partnership between the two countries. We are pleased to note that plans have been developed to address the U.S.-Brazil CEO Forum recommendations outlined in their November 2019 Joint Communique, which included proposals to increase bilateral trade, collaboration in the technology sector, Brazil's entry into the Organization for Economic Cooperation and Development (OECD), and several measures to advance discussions toward the long-term goal of a trade agreement.

**Strategic Priorities:** Over the past fourteen years, the Dialogue has fostered partnerships beyond the Brazilian Ministry of the Economy (ME) and the U.S. Department of Commerce (DOC) resulting in an expanded agenda that includes discussions on regulatory processes, standards, metrology, conformity assessment, intellectual property rights, and customs issues. Going forward, the Dialogue will continue to focus on cross-cutting issues that benefit multiple industries, while also fostering industry-specific collaboration where we can identify a mutual interest. As our two countries look to promote economic prosperity, strategic priorities will include:

Preventing, reducing and eliminating non-tariff barriers and technical barriers to trade, including but not limited to the following efforts:

• Facilitating movement of goods across borders

The United States and Brazil remain committed to optimal implementation of the World Trade Organization Trade Facilitation Agreement to expedite the movement of goods and increase economic prosperity through trade. Highlights this year include Brazil's progress towards reestablishing its National Trade Facilitation Committee under the Foreign Trade Chamber (CAMEX), the renovation of Brazilian trade information portal (siscomex.gov.br), and advances on implementation of its new single window for imports. Brazil announced that it has integrated its system into the International Plant Protection Convention's global EPhyto HUB solution and is now working on automated solutions integrated with the national single window to fully implement e-phyto certificates in bilateral trade. The EPhyto HUB solution can save traders of agriculture products administrative costs and time in the customs clearance process.

U.S. Customs and Border Protection (CBP) provided expertise on its Section 321 data pilot, which analyzes data collected to better facilitate express delivery clearance and manage a growing E-Commerce environment. The teams agreed to continue deeper discussions on express delivery best practices. CBP and the Ministry of the Economy also shared lessons learned in developing their respective single windows and the teams agreed to future exchanges. CBP also stated its commitment to advancing the Authorized Economic Operator Joint Work Plan towards a Mutual Recognition Arrangement with Brazil now in phase two of four. CBP sent a positive message that the customs authorities of both countries continue to stay engaged and are working on phase three of the joint work plan, which includes developing the benefits of the arrangement.

## • Promoting good regulatory practices

Both countries remain committed to cooperating to promote good regulatory practices (GRPs) as outlined in the 2018 Memorandum of Understanding Regarding Joint Cooperation on Good Regulatory Practices. Brazil has taken several steps over the past year to improve the consistency of implementation of GRPs across all regulatory agencies. These steps include the approval of the Regulatory Agencies Law and the Economic Freedoms Law, which turn certain GRPs into legal requirements, such as public consultation and the use of a regulatory impact analysis. Additionally, Decree 10.139/2019 establishes regulatory stock-taking, review and consolidation requirements. The two countries look forward to continuing to regularly share experiences and best practices in this area.

• Better understanding of U.S. and Brazilian technical regulations, standards and conformity assessment procedures – a path to facilitating trade

Brazil and the United States successfully held the first phase of a two-phase Conformity Assessment Workshop from May 5-8, 2020. Regulatory agencies from both countries shared information on their conformity assessment practices with the goal of improving mutual understanding of each country's standards, conformity assessment and regulatory system. Participants exchanged information on each country's experiences in the acceptance of conformity assessment results in each other's markets and potential barriers to trade resulting from variance in the two systems. The results from this first workshop will be carried forward into a second workshop, expected to be held in Brazil in September 2020 with the participation of the private sector. Working group participants intend to use the results of both phases to identify specific areas and sectors of interest for further bilateral discussions to be included in an Action Plan for 2020/2021. This Action Plan will aim to support discussions and implementation of future trade facilitating initiatives. This work will expand and complement the existing regulatory cooperation taking place between the Federal Communications Commission and the National Agency of Telecommunications (ANATEL), the Consumer Products Safety Commission, the Brazilian National Institute of Metrology, Quality, and Technology (INMETRO), the Food and Drug Administration, and the Brazilian Health Regulatory Agency (ANVISA), among others. This will also build upon the U.S. Department of Transportation's and Brazil's Ministry of Infrastructure's MOC through cooperative activities such as the recent National Highway Traffic Safety Administration's (NHTSA) and the National Traffic Department's (DENATRAN) regulatory exchange.

• Increasing access to measurement standards and methodologies that are needed to maintain understanding of current and emerging technologies such as Artificial Intelligence and many others.

The U.S. National Institute of Standards & Technology (NIST) and the Brazilian National Institute of Metrology, Quality and Technology (INMETRO) are counterpart agencies responsible for measurement science and standards in the U.S. and Brazil, respectively. Both delegations acknowledged the fundamental importance of international cooperation in measurements and standardization, and have identified five areas for potential cooperation: bioscience and health; cybersecurity and privacy, quantum electrical standards; Internet of Things (IoT); and emerging technologies such as Artificial Intelligence (AI). NIST and INMETRO will continue their collaboration to address needs in measurement science, standards and conformity assessment, accreditation and inquiry point matters in support of our trade relationship. NIST and INMETRO future collaboration opportunities include personnel exchanges, career development sponsorships, and sharing NIST experience with the recently released privacy framework, and best practices in smart cities, AI, IoT interoperability and cybersecurity. NIST and INMETRO are committed to renew the NIST – INMETRO Memorandum of Understanding by November 2020.

• Increasing access to intellectual property protection and improving efficiency of patent and trademark processes

Both countries are committed to fostering innovation and economic prosperity through the protection of intellectual property by cooperating in examination training and by sharing best practices in quality measures. In this regard, on December 1, 2019, the Patent Prosecution Highway (PPH) pilot program was extended by 5 years and expanded to encompass all technologies. The new PPH improves on past versions by allowing innovators and businesses across all industries to benefit from more timely patent determinations. This year, the Dialogue discussed possible future improvements to the PPH, such as the gradual increase of filing ceilings. To continue the strong partnership between the U.S. Patent & Trademark Office (USPTO) and the Brazilian National Institute for Industrial Property (INPI), the two offices discussed possible future areas of cooperation.

• Advancing the digital economy

Brazil and the United States aim to foster innovation of the digital economy and prevent trade barriers in this dynamic sector. Both countries have agreed to exchange best practices on a list of mutually agreeable digital economy issues including AI, IoT, cross-border data flows, and eCommerce. Upcoming activities include workshops with industry stakeholders and technical experts on the impact of emerging technologies on trade, such as a virtual private sector roundtable on AI this summer. Both countries recognize the need to cooperate on emerging technologies while policies and strategies are still under development to ensure alignment between our two countries and industry. As such, this group will explore sharing best practices in regulating emerging technologies and the development of AI strategies. Brazil and the United States recognize the overarching impact of emerging technology on a wide range of sectors.

## Looking Ahead

For nearly 15 years, through economic downturns and expansion, the Dialogue has been a consistent, reliable and effective mechanism for cooperation. Commerce and the Ministry of the Economy are proud of the work that has been accomplished and note that much remains to be done. We are committed to working with our business communities to promote shared prosperity and accelerate economic growth in both nations.