

***Joint Statement of the 19th Edition of the U.S.-Brazil Commercial Dialogue
October 22, 2021 – Virtual Edition***

Lucas Pedreira do Couto Ferraz, Brazilian Secretary of Foreign Trade, Brazilian Ministry of Economy and Diane Farrell, Acting Under Secretary for International Trade, U.S. Department of Commerce, issued the following Joint Statement outlining the overall results of the October 22, 2021, virtual meeting of the U.S.-Brazil Commercial Dialogue.

We are pleased to announce the results of the 19th Plenary of the U.S.-Brazil Commercial Dialogue held on October 22, 2021. 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. With those objectives in mind, the Dialogue seeks to be responsive to the needs of U.S. and Brazilian industries. We commend the 2020 signing of the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC) Protocols on Trade Rules & Transparency and seek to support the implementation of its Annexes. We are pleased to note plans for a February 2022 U.S.-Brazil CEO Forum and emphasize the Dialogue's commitment to be responsive to the Forum's Joint Recommendations.

Strategic Priorities: *Over the past fifteen 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, digital economy, and customs issues. The Dialogue will continue to focus on cross-cutting issues that benefit multiple industries, while 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 continue to work together to optimize trade facilitation in our two countries. We would like to highlight a few key actions in this area. In May 2020, Brazil reestablished its National Trade Facilitation Committee under the Foreign Trade Chamber (CAMEX) to allow coordination among domestic bodies and the implementation of the World Trade Organization's (WTO) Trade Facilitation Agreement. In October 2020, the ATEC Protocol Relating to Trade Rules and Transparency, which includes a comprehensive annex on trade facilitation, was signed. Key areas of the agreement include ensuring that rules and regulations related to customs clearance are available online, that technology is maximized in customs clearance processes, and that a formal advanced ruling process is instituted.

In August 2021, a Single Window for imports and exports officially became law in Brazil. This new law allows for one electronic location for document submission and

will also facilitate payment of fees. This is another big step that will improve the rapid and secure movement of goods across Brazil's borders and reduce clearance delays. The United States and Brazil also held a highly successful webinar on risk management best practices through customs clearance with presenters from both governments highlighting how they securely and rapidly clear products through customs.

Looking forward, we are pleased to note continued discussions on a joint work plan to achieve Mutual Recognition of both countries automated economic operator programs. We also plan to discuss key issues such as de minimis for express delivery, where we are hopeful updates can be made to make this applicable to more shipments. Additionally, we hope to arrange a series of best practices webinars on topics such as: advanced rulings, border management across agencies, and, how to effectively implement the Trade Facilitation Agreement.

- *Promoting good regulatory practices*

Brazil and the United States have greatly advanced the objective of promoting Good Regulatory Practices (GRP) under the Commercial Dialogue. As a result of both countries' commitment to foster GRP, and thanks to the foundations laid by the work in the Dialogue, in October 2020, Brazil and the United States negotiated and signed the ATEC Protocol Relating to Trade Rules and Transparency, which includes a comprehensive Annex on GRP. The provisions are intended to ensure transparency, predictability, objective analysis, and accountability in the rulemaking process in Brazil and the United States and aim at improving the quality of regulation while facilitating international trade, investment, and economic growth. In support of ongoing efforts to implement the Protocol, both countries will continue to hold activities to share information, experiences, and best practices and build capacity to ensure prompt fulfillment of the commitments. We note that these deliverables successfully address the 2019 U.S.-Brazil CEO Forum Recommendations on Regulatory Cooperation.

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

Since the last plenary, Brazil and the United States successfully held a two-phase Conformity Assessment Workshop allowing the two countries to exchange information on their respective technical regulations, standards, and conformity assessment procedures as a means to facilitate bilateral trade. The first phase took place May 5-8, 2020. 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 differences between the two systems. The results from this first workshop were carried forward into a second workshop, held in September 2020 with the participation of the private sector. Working group participants used the results of both phases to identify specific areas and sectors of interest for further bilateral discussions, which have been included in the updated working group Action Plan for 2021/2022.

Furthermore, presentations on the U.S. National Quality Infrastructure System, the Brazilian National Institute of Metrology, Standards, and Industrial Quality (INMETRO)'s Regulatory Model Public Consultation, and on U.S. practices to encourage stakeholders' engagement on WTO Technical Barriers to Trade notifications

were held to enhance knowledge and skills related to these topics in both the governments and the private sector. The 2021-22 working group Action Plan was approved including activities to expand and complement the existing standards and conformity assessment-related cooperation. The United States and Brazil plan to hold workshops on the topics of accreditation and cybersecurity.

- *Increasing capabilities in measurement science needed to support current and emerging technologies such as Artificial Intelligence, Circular Economy, Digital Transformation 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 institutes acknowledged the fundamental importance of international cooperation in measurement science 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.

Opportunities for collaboration include personnel exchanges, career development efforts, sharing NIST's experience with the privacy framework released in January 2020, and best practices in smart cities, AI, IoT interoperability and cybersecurity. To facilitate the pursuit of these opportunities, the NIST Director and INMETRO President renewed the Memorandum of Understanding between the two organizations in January 2021.

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

Both the U.S. and Brazil 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, the U.S. Patent and Trademark Office (USPTO) collaborated with the Brazilian National Institute for Industrial Property (INPI) to launch an expanded Patent Prosecution Highway (PPH) in 2019, which facilitates more rapid review of patent applications and enables industries across all technologies to benefit from the collaboration. Building on this momentum, in January 2021 INPI raised PPH filing limits, facilitating greater participation into the program by U.S. and Brazilian industries. The two offices continue working together to explore ways to improve the PPH arrangement and facilitate a greater reduction of patent backlogs.

USPTO and INPI look forward to continued collaboration on topics of mutual interest through exchanges of information and best practices in areas relating to trademarks, geographical indications, patents, and industrial designs.

- *Cooperating in digital economy*

Brazil and the United States remain committed to promoting a more efficient digital economy with the goal of growing bilateral trade and investment. Both countries recognize the importance of preventing non-tariff trade barriers that would hinder trade in the digital economy. The Trade in the Digital Economy Working Group (TDEWG) of the Commercial Dialogue facilitates these goals by addressing market access issues and promoting best practices exchanges on topics fostering innovation and competitiveness. Since the May 2020 Plenary, the Working Group held activities including a workshop on Brazilian and U.S. perspectives on AI and a roundtable on best practices for IoT. The U.S. team also held two roundtables on best practices in data protection and data transfer mechanisms.

This year, the Working Group discussed continued opportunities for cooperation on issues including emerging technologies, AI, IoT, and Smart Cities and are planning activities including sector-neutral and sector-specific workshops with industry stakeholders and technical experts. The Working Group also agreed to explore other issues related to digital trade rules as well as cybersecurity and 5G opportunities for emerging technologies.

Looking Ahead

The Dialogue has an ambitious agenda for 2021-2022. As the global community takes on the challenge of climate change, the Dialogue, through the working group teams, will evaluate how to incorporate this important issue into existing work streams. In addition, we are developing a workstream focused on issues related to trade in remanufactured goods. We will also bring together experts in clean tech and environmental services and explore how to foster partnerships among our businesses and how to ensure that our standards and regulatory systems encourage safety and innovation in these important sectors.

For the last fifteen years, through economic downturns and expansion, the U.S.-Brazil Commercial Dialogue has been a consistent, reliable and effective mechanism for cooperation. The Department of Commerce and the Ministry of the Economy are proud of the work that has been accomplished and recognize 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 the United States and Brazil.