**Joint Statement of the 13th Edition of the Brazil-U.S. Commercial Dialogue**

**November 19, 2015**

***Brasília, Brazil***

Daniel Godinho, Secretary of Foreign Trade, Brazilian Ministry of Development, Industry and Foreign Trade (MDIC), and Kenneth Hyatt, Deputy Under Secretary for International Trade, U.S. Department of Commerce (Commerce), are pleased to release the following joint statement, which outlines the results of the November 17-19, 2015, meeting of the Brazil-U.S. Commercial Dialogue in Brasília, Brazil.

Building upon the goodwill expressed and momentum created by the official working visit of Brazilian President Dilma Rousseff to the United States on June 29-30, 2015, we are pleased to announce a renewed commitment to work together in a spirit of partnership to strengthen the commercial relationship between Brazil and the United States.  To strengthen the trade and investment ties that bind our two countries, we are pleased to share the progress made under the Commercial Dialogue since it last met in March 2015 and announce plans to enhance efforts through the Commercial Dialogue.

**Standards and Conformity Assessment**

Reflecting the increasing importance of standards-related issues in the Brazil-U.S. bilateral trade relationship, a Memorandum of Intent (MOI) concerning Standards and Conformity Assessment was signed by MDIC and Commerce, on June 30th, 2015, during President Dilma Rousseff´s official visit to the United States. In addition to demonstrating the intentions of both governments to cooperate and take other actions on trade-related standards and conformity assessment measures, the MOI serves as an umbrella agreement to various sectorial initiatives aimed at facilitating bilateral trade.

Regarding the sectorial initiatives contemplated in the MOI, MDIC and Commerce are pleased to acknowledge the cooperation between the Brazilian Association of Machinery and Equipment, the Brazilian Association of the Electric and Electronic Industry, the Brazilian Association of the Lighting Industry and the U.S. certification company Underwriters Laboratories (UL). This cooperation has resulted in the recent announcement by UL that it is prepared to perform, in Brazil, several new laboratorial tests required for the grant of its certificate.

Building upon the successful discussions that took place during the March Plenary, MDIC and Commerce held the 2nd Brazil-U.S. Standards and Conformance Convergence Roundtable on November 17th, 2015, in Brasilia. Public and private standards stakeholders from both countries had the opportunity to present initiatives they have undertaken to facilitate bilateral trade through cooperation on standards and conformity assessment. In addition, MDIC and Commerce committed to explore ways to support cooperation in the area of energy efficiency.

On November 18th, 2015, MDIC and Commerce also held a workshop on the World Trade Organization’s (WTO) Agreement on Technical Barriers to Trade (TBT), its Code of Good Practice and the TBT Committee Decision on Principles for the Development of International Standards, Guides and Recommendations, to work towards a mutual understanding of international standards and foster greater cooperation. The event, which featured U.S. and Brazilian government representatives, U.S. and Brazilian standards developing organizations and other industry stakeholders, promoted productive discussions that contributed to a better understanding of the U.S. and Brazilian standards systems.

Cooperation on standards and conformity assessment in the ceramic sector has advanced considerably since the signing of the Memorandum of Understanding by the Tile Council of North America (TCNA) and the Brazilian Ceramic Tile Manufacturers Industry Association (ANFACER), in March 2015. In accordance with the agreed-upon work plan, TCNA and ANFACER identified each other’s standard-related requirements, defined a common conformity assessment procedure, conducted comparative studies between their respective laboratories and analyzed the results. The organizations are currently in the last of the seven stages contemplated in the work plan, which consists in defining if and how the standards and conformity assessment convergence between both ceramics sectors will take place.

Since reaching agreement to create an online Brazil-U.S. standards portal in March 2015, the American National Standards Institute, the Brazilian Technical Standards Association and Brazil´s National Institute of Metrology, Quality and Technology (INMETRO) have exchanged information about standards and regulations. Translation of this information has already begun, and the portal is expected to be formally launched in the upcoming months.

Another sectorial initiative has been developing in the textile sector, where the Brazilian Association of the Textile and Apparel Industry and the American Apparel & Footwear Association have agreed to initiate a comparative analysis of their respective standards and regulatory requirements in specific areas, which would allow for an objective assessment about the feasibility and interest from both sides in greater alignment of standards and conformity assessment or in mutual recognition mechanisms.

**INMETRO-UL Memorandum**

On November 19th, 2015, INMETRO, represented by its president, Professor João Alziro Herz, and UL, represented by its president of operations for Europe and Latin America, Gitte Schjotz, signed a Memorandum of Understanding (MOU) through which they intend to develop trade facilitation mechanisms related to their respective operating areas. In order to fulfill the objectives of the memorandum, the parties agreed to support information exchange on best practices regarding conformity assessment and overcoming technical barriers to trade, to promote scientific and technical interchange and to enhance industry knowledge on compliance requirements.

**Regulatory Coherence**

MDIC and Commerce are also pleased to announce the signature of a MOI concerning Joint Cooperation on Regulatory Coherence and Meaningful Engagement with the Private Sector, which was signed on November 19th, 2015, by Brazil´s Foreign Trade Chamber, and Commerce’s International Trade Administration (ITA). The MOI provides a mechanism for the exchange of information and experiences on good regulatory practices, specifically regarding regulations that have a direct impact on bilateral trade.  The MOI establishes an exchange of good regulatory practices between the United States and Brazil on mechanisms to achieve greater domestic coordination, increase transparency and eliminate unnecessary regulatory barriers.

**Trade Facilitation**

Leveraging the trade facilitation MOI signed in March 2015, and building upon the momentum and positive relationship displayed during President Rousseff’s visit to Washington, D.C., in June, when the Presidents of Brazil and United States stated the relevance of sharing public-private sector best practices, MDIC and Commerce have identified mutually beneficial trade facilitation priorities.

As outlined by the MOI, MDIC and Commerce have consulted the private sectors in both countries and have identified challenges related to the movement of goods across borders that can be addressed by trade facilitation initiatives. MDIC and Commerce have decided to start by exploring the use of electronic signatures to facilitate trade; by exploring how to support small- and medium sized enterprises to make good use of tools to better facilitate trade; and by exchanging experiences.

Electronic Signatures - Leveraging input from the private sector, MDIC and Commerce have identified the potential use of electronic signatures as a process that could ease administrative burdens impacting bilateral trade. MDIC and Commerce have started consultations with relevant agencies to learn how the system of issuance and control of electronic certification is managed in each country. The potential benefits of implementing electronic signatures on documents exchanged in bilateral trade include potentially paper free transactions, reduced mailing costs, instant transmission and electronic storage of trade related documents. In addition, implementation of electronic signatures may support future aspects of trade with regard to electronic documents and electronic payments.

SME Support - MDIC and Commerce have determined the importance of collaborating with the private sector to support trade facilitation initiatives in order to improve the environment for small and medium enterprises (SME). SME support is an important initiative for both countries to continue growing their respective economies, improving competitiveness and increasing bilateral trade.

Trade Information Exchange - In addition, MDIC and Commerce agree on fostering the exchange of information related to best practices on trade management technologies and other trade related practices such as documents and information requirements, either bilaterally or in international fore.

MDIC and Commerce agree to continue the work under the MOI to identify further opportunities alongside the private sector, and to propose initiatives to facilitate bilateral trade and reduce costs for businesses. Our Governments reiterate our commitments in the WTO Trade Facilitation Agreement and recognize that the successful conclusion in Bali was a major milestone.

**Trade Statistics**

With regard to merchandise goods trade statistics, the U.S. Census Bureau (Census) and MDIC’s Department of Statistics and Export Support completed the reconciliation of trade statistics using 2012, 2013 and 2014 data, and presented a joint summary of efforts and analysis.  Census and MDIC agreed that given the very limited number of discrepancies in the years of data studied and lack of finding any real concerns with the published data, no further analysis is needed at this time. However, the group also agreed that additional analysis at a later time, when new data are available, may be beneficial depending on whether the levels of the discrepancies increase.

**Services Cooperation**

Commerce and SCS/MDIC are developing a value-chain-based methodology for mapping the relevant parts of cold chain systems in Brazil and the United States using simplified value-chain analysis. Both countries have drafted a work plan to pilot test the methodology in order to identify and address issues in specific sectors. Commerce has presented the “2015 Top Market Report – Cold Chain. A Market Assessment Tool for U.S. Exporters” as a model to establish a cold chain analytic framework in Brazil. Based on this analysis, this framework could help improve the cold chain supply networks in both markets, with the goal of expanding opportunities for trade between the United States and Brazil.

Commerce and MDIC exchanged technical visits between their staff in Washington, D.C. during January 2015. They also examined the possibilities of working collaboratively on topics of mutual interest, such as e-commerce and professional services.

**Trade Statistics in Services**

The SCS/MDIC, ITA and Bureau of Economic Analysis, having acknowledged the opportunity to cooperate in further understanding each other’s processes, started to share their experiences and methodologies of collection, analysis and publishing of statistical data on international trade in services. Such an opportunity to learn about different approaches to services data analysis arises from the distinctions between the methods developed by each institution and recognition that these methods have their own merits. However, these same distinctions give rise to the need for a continued dialogue in order not only to drill down into the finer details of the processes but to understand their motivations as well.

**Innovation and Intellectual Property**

Commerce and MDIC acknowledge the strategic role that innovation plays in supporting economic development and will seek ways to address intellectual property rights and innovation in the Commercial Dialogue.

Such activities include:  (i) possible participation from MDIC in the Americas Competitiveness Exchange; (ii) assessment of each country’s respective innovation cluster mapping; (iii) identification of programs to support innovative entrepreneurship; and (iv) exchange of best practices in advanced manufacturing, comprising a Brazilian delegation mission to the United States in 2016, as contemplated in the Joint Communiqué by President Barack Obama and President Dilma Rousseff (Washington, June 30, 2015).

In the field of intellectual property, the National Institute of Industrial Property (INPI) and the U.S. Patent and Trademark Office (USPTO) (collectively, “the Offices”) reiterate the commitment to enhance cooperation on training for patent and trademark examiners and sharing good management practices.

Finally, the main outcome concerning intellectual property cooperation thus far was the negotiation of the pilot project of collaboration on patents examination, called "Patent Prosecution Highway" (PPH).  The pilot project was outlined with the following basic features:  (i) delimitation of the oil and gas field of U.S. requests from USPTO sent to INPI through PPH; (ii) no delimitation of field for INPI requests to USPTO; and (iii) two years duration or 150 requests from each side, whichever is concluded first.  The specific MOU between the Offices on the PPH Pilot Program was signed during this edition of the Commercial Dialogue.

**Industry & Investment**

In September 2015, the Secretariat of Production Development (SDP/MDIC) hosted two officials from Commerce for an informational exchange program, which was created through the Dialogue. Over the course of a week, the Commerce officials were introduced to MDIC’s organizational structure and met with Brazilian contacts in charge of respective work plans. It is possible to broaden and deepen Brazil-U.S. trade relations and outreach to industry associations and companies through programs of relevance to their products and processes.

Following the exchange program, officials began contacting partners in the United States to keep developing work plans in their areas, with a special focus on Green Chemistry, Smart Grid, Environmental Technologies and Cosmetics.

**Standards and Metrology**

During the past few years, the U.S. National Institute of Standards & Technology (NIST) and INMETRO have enhanced cooperation in activities related to measurement science and standards that support industry, science and technology enterprise, national and international commerce, and quality of life for our citizens. NIST and INMETRO have also established strategic collaboration in several areas of measurement science, technology, and standards development and dissemination over the past several years.  Further, NIST and INMETRO have helped small and medium sized companies in both countries to access standards requirements through the WTO Inquiry Point and the development of industry guides.

In order to continue the cooperation established, INMETRO and NIST will renew an MOU in December 2015. The MOU will address strategic collaboration on metrology and standards in time and frequency measurements, cybersecurity, smart grid, cyber-physical systems (including Internet of Things and Smart Cities) and the development of additional industry guidelines. It will also encompass bioscience and health; chemical and thermal; and legal metrology.