



Written Submission
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United States House of Representatives
Committee on Ways and Means
Trade Subcommittee

U.S.-Brazil Trade and Investment Relationship: Opportunities and Challenges
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On behalf of the members of the U.S. Section of the Brazil-U.S. Business Council (BUSBC), I submit these comments in support of a deeper U.S.-Brazil economic and commercial partnership and offer recommendations to make meaningful progress. BUSBC member company Johnson & Johnson, represented by Roberto Marques, is also testifying on behalf of BUSBC as a “fellow” BUSBC board member.

The U.S. Section of BUSBC represents more than 100 of the top U.S. companies with businesses and investments in Brazil, representing sectors as diverse as aerospace, agribusiness, automotive, biofuels, electric and electronic equipment, pharmaceuticals, machinery and equipment, metallurgy, pulp and paper, oil and gas, and health products. BUSBC is the premier business advocacy organization dedicated to strengthening the economic, commercial and investment relationship between the United States and Brazil. Established in 1976, it is the oldest and largest bilateral private sector group and is composed of a U.S. and Brazilian section. The U.S. Section operates under the administrative aegis of the U.S. Chamber of Commerce and is chaired by Cargill, Incorporated.

The United States and Brazil have much to celebrate. The growing U.S.-Brazil partnership has brought real gains for both countries and their private sectors. Rising two-way trade and investment demonstrates the vibrant state of U.S.-Brazil relations and the direction in which we are headed. Bilateral trade in goods and services reached the historic milestone of more than US\$ 100 billion per year in 2011. Moreover, the combined foreign direct investment stock totaled more than \$75 billion in 2012. In fact, for every three dollars invested in Brazil by U.S. companies, there was one dollar invested in the United States by Brazilian companies. This gap, much larger just a couple of years ago, continues to narrow as both private sectors increasingly pursue opportunities in Brazil and the United States.

As we look ahead, there are key areas where meaningful progress can be made to deepen the economic and commercial relationship: (1) the establishment of a working group to study the potential benefits of an all-encompassing U.S.-Brazil Bilateral Economic Partnership Agreement in the long term, (2) the formal launch of negotiations to a Bilateral Tax Treaty in the short term, and (3) the formal launch of the U.S.-Brazil Global Entry Pilot program in the short-term, with the longer-term goal of including Brazil in the U.S. Global Entry program with Brazil’s reciprocation. These initiatives offer the best opportunities for meaningful progress and are the foundation for the BUSBC vision of a barrier-free bilateral economic and commercial relationship between both countries, which contributes to a lasting partnership with positive and decisive influence.



First, BUSBC strongly supports the establishment of a bilateral working group under the auspices of the U.S.-Brazil Commission on Economic and Trade Relations to study the potential benefits of a U.S.-Brazil Bilateral Economic Partnership Agreement (BEPA). There is currently a renewed global movement to foster greater trade and investment: in Geneva, an effort is underway to secure a trade facilitation package in the next World Trade Organization ministerial conference, and the launch of negotiations for a U.S.-EU Transatlantic Trade and Investment Partnership also creates new momentum for enhanced global trade. An economic agreement between the United States and Brazil could hold significant opportunity to enhance our trading relationship, and we support a more in-depth discussion about the benefits of such an agreement.

Next, as it relates to taxes, following the passage of the U.S.-Brazil Tax Information Exchange Agreement (TIEA), we strongly support the launch of formal negotiations for a U.S.-Brazil Bilateral Tax Treaty (BTT). This agreement will significantly improve the regulatory framework for business between our two countries and offer a platform for a more structured conversation on the future of bilateral trade and investment.

Finally, in the area of visa reform, we urge Congress and the Administration to launch the U.S.-Brazil Global Entry Pilot this year, with the longer-term goal of fully including Brazil in the Global Entry and Visa Waiver Programs. We also support the initiation of negotiations on three bilateral information exchange-related agreements that are prerequisites for the inclusion of Brazil in the U.S. Visa Waiver Program. Entry-facilitated visa-free travel is a key priority for both sections of BUSBC and for the U.S.-Brazil business community.

In summary, BUSBC strongly supports the U.S. government's effort to advance the U.S.-Brazil economic and commercial relationship, and would offer that significant progress can be made in the areas of exploring a Bilateral Economic Partnership Agreement (BEPA), launching a Bilateral Tax Treaty (BTT), and taking steps to create entry-facilitated visa-free travel. On behalf of the U.S. Section, we offer our sincere thanks for your leadership and commitment to this important relationship, and we look forward to continuing to work with you to strengthen the trade and investment relationship between Brazil and the United States.