



# CCIA Submission of Proposed Topics for the U.S.-Brazil Commercial Dialogue

In response to the request for inputs published by the International Trade Administration (ITA) in the Federal Register at 89 Fed. Reg. 47,522 (June 3, 2024), the Computer & Communications Industry Association (“CCIA”)<sup>1</sup> submits the following comments for the agenda of the 22nd Plenary of the U.S.-Brazil Commercial Dialogue.

CCIA supports the continuation of the U.S.-Brazil Commercial Dialogue as a valuable avenue for bilateral cooperation on preventing, reducing, and removing non-tariff barriers to trade. It is encouraging that both parties have identified trade in the digital economy as a critical component of the U.S.-Brazil trade relationship. At a time when barriers to digital trade are on the rise, the continued commitment of the two largest economies in the Western Hemisphere to promoting digital trade and investment represents a critical opportunity for growth and innovation. CCIA welcomes the Dialogue’s current focus on topics including sharing best practices in IP protection, cooperating on AI, and exploring cross border data transfer mechanisms and the expansion of the Global Cross Border Privacy Rules System. To support the continuation of this work, CCIA proposes the following two topics to sustain the Dialogue’s agenda within relevant working groups.

**Artificial Intelligence:** The Dialogue should continue to focus on AI cooperation and opportunities for AI in the context of trade policy development. It should focus on fostering interoperable approaches to AI governance that encourage innovation and competition, and promote sustainable development, as Brazil has committed to pursue through its presidency of the G20. Regulations such as Brazil’s proposed AI regulation (Bill No. 2,338/2023) that fail to differentiate between developers and deployers of high-risk AI systems threaten to hamper competitiveness and investment, especially for small and medium sized enterprises. To avoid this, the Dialogue should share best practices on tailored and narrowly targeted regulatory approaches, drawing on the U.S. framework approach.

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<sup>1</sup> CCIA is an international nonprofit membership organization representing companies in the computer, Internet, information technology, and telecommunications industries. Together, CCIA’s members employ nearly half a million workers and generate approximately a quarter of a trillion dollars in annual revenue. CCIA promotes open markets, open systems, open networks, and full, fair, and open competition in the computer, telecommunications, and Internet industries. A complete list of CCIA members is available at <http://www.ccianet.org/members>.



**Network Fees and Digital Infrastructure:** The Dialogue should continue its focus on critical and emerging technologies that facilitate digital trade flows, including underlying digital infrastructure. It should focus on removing regulatory barriers, such as undue regulatory interventions in investments in telecommunications networks. Currently, added value service (AVS) providers invest heavily in network capacity. This contributes to strong competition, declining costs, and expanded connectivity. Proposals to impose new regulatory burdens, such as network remuneration models funded by AVS providers, would reduce investments in network architecture, undermine net neutrality principles, hamper competition, and risk trade conflicts.<sup>2</sup> To avoid disrupting market access, protect the open internet ecosystem, and supporting trade ties, the Dialogue should continue to share regulatory best practices that avoid undue interventions and support underlying digital infrastructure.<sup>3</sup>

CCIA supports the continued efforts to reduce non-tariff trade barriers and expand market access in Brazil, and industry appreciates the opportunity to share its views on how increased trade engagement can benefit competition, innovation, and development.

Respectfully submitted,

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July 31, 2024

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<sup>2</sup> Such regulations could violate Brazil's WTO GATS Commitments under Article V of the Annex on Telecommunications.

<sup>3</sup> David Abecassis, Michael Kende, Andrew Daly & Tanmay Tyagi, *The Impact of Network Usage Fees on the Brazil Cloud Market*, February 27, 2024, <https://ccianet.org/research/reports/impact-network-usage-fees-brazil-cloud-market/>.