

## MEMORANDUM OF CONSULTATIONS

Delegations representing the Government of the Federative Republic of Brazil and of the Government of the United States of America, met in Rio de Janeiro on December 1-3, 2010, to discuss their bilateral air services relationship.

RECOGNIZING that the discussions proceeded in a friendly and constructive manner, reflective of the close relationship between the two countries;

ACKNOWLEDGING the delegation lists attached at **Attachment A**, and the record of the negotiations attached at **Attachment B**;

RECALLING the Agreement between the Government of the United States of America and the Government of the Federative Republic of Brazil on Air Transport, signed at Brasilia March 21, 1989, as amended (the "1989 Agreement");

RECOGNIZING the desire of Brazil and the United States to further liberalize their bilateral aviation relationship and to conclude an Open-Skies Agreement in the future;

DESIRING to act in furtherance of that further liberalization;

ACKNOWLEDGING that delegations representing both governments reached agreement *ad referendum* on, and initialed the text of, a draft Open-Skies Air Transport Agreement (the "Agreement," attached at **Attachment C**), which shall be submitted to their respective authorities for approval;

FURTHER ACKNOWLEDGING the subsequent exchanges between the delegations on refinements to the documents initialed in Rio de Janeiro on December 3, 2010 and that this Memorandum of Consultations (MOC) reflects the outcome of those exchanges;

Pending entry into force of the Agreement, the delegations intend to recommend that the National Civil Aviation Agency of the Government of the Federative Republic of Brazil and the Department of Transportation of the United States of America (the "Aeronautical Authorities"); apply the following provisions, on the basis of comity and reciprocity:

### Section 1

#### Route Schedule

1. In addition to the route rights established under Annex 1 to the 1989 Agreement:
  - a. An airline or airlines designated by the Government of Brazil may operate air transportation from any point or points behind Brazil via Brazil and intermediate points to any point or points in the United States and beyond;



- b. An airline or airlines designated by the Government of the United States may operate air transportation from any point or points behind the United States via the United States and intermediate points to any point or points in Brazil and beyond.
2. While operating international air transportation on a route specified in paragraph 1 above, the airline or airlines designated by each country may, on any or all flights and at the option of each airline:
  - a. operate flights in either or both directions;
  - b. combine different flight numbers within one aircraft operation;
  - c. serve behind, intermediate, and beyond points and points in the territories of the two countries in any combination and in any order;
  - d. omit stops at any point or points;
  - e. transfer traffic from any of its aircraft to any aircraft at any point;
  - f. serve points behind any point in its territory with or without change of aircraft or flight number and hold out and advertise such services to the public as through services;
  - g. make stopovers at any point or points whether within or outside the territory of either country;
  - h. carry transit traffic through the other country's territory; and
  - i. combine traffic on the same aircraft regardless of where such traffic originates.

without directional or geographic limitation and without any loss of any right to carry traffic otherwise permissible under this MOC, provided that the transportation is part of a service that serves a point in the homeland of the airline.

## **Section 2**

### **Capacity**

1. Until all limitations on the number of frequencies for scheduled combination service are removed, the designated airlines of Brazil and the United States, respectively, are to be allowed to operate scheduled combination service over the routes specified in the route schedule provision of this MOC as follows:
  - a. One hundred and five (105) frequencies per week, for service to any point or points in Brazil;
  - b. An additional twenty-one (21) frequencies per week, for service to any point or points in Brazil except São Paulo Terminal<sup>1</sup> and Rio de Janeiro;

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<sup>1</sup> For all references in this MOC, São Paulo Terminal means Guarulhos International Airport (GRU) and Viracopos International Airport (VCP).



- c. An additional seven (7) frequencies per week, for services to any point or points in Brazil except São Paulo Terminal;
- d. An additional seven (7) frequencies per week, for services to any point or points in Brazil;<sup>2</sup>
- e. An additional fourteen (14) frequencies per week, for service to any point or points in Brazil;<sup>2</sup>
- f. Effective October 1, 2011, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except Rio de Janeiro and São Paulo Terminal;
- g. Effective October 1, 2011, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except São Paulo Terminal;
- h. Effective October 1, 2012, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except Rio de Janeiro and São Paulo Terminal;
- i. Effective October 1, 2012, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except São Paulo Terminal;
- j. Effective October 1, 2013, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil;
- k. Effective October 1, 2013, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except São Paulo Terminal;
- l. Effective October 1, 2013, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except Rio and São Paulo Terminal;
- m. Effective October 1, 2014, an additional twenty-one (21) frequencies per week, for service to any point or points in Brazil, except Rio de Janeiro and São Paulo Terminal;
- n. Effective October 1, 2014, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil;
- o. Effective October 1, 2014, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil, except São Paulo Terminal.

2. Until all limitations on the number of frequencies for scheduled all-cargo service are removed, the designated airlines of Brazil and the United States, respectively, are to be allowed

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<sup>2</sup> These frequencies may not be used for services between GRU and points in the United States until the regulatory constraints in place as of June 26, 2008, related to infrastructure at that airport are removed.

to operate scheduled all-cargo service over the routes specified in the route schedule provision of this MOC as follows:

- a. Thirty-five (35) all-cargo frequencies per week, for service to any point or points in Brazil;
  - b. An additional seven (7) all-cargo frequencies, for service to any point or points in Brazil;
  - c. Effective immediately, an additional seven (7) frequencies per week, for service to any point or points in Brazil;
  - d. Effective October 1, 2011, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil;
  - e. Effective October 1, 2012, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil.
  - f. Effective October 1, 2013, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil.
  - g. Effective October 1, 2014, an additional fourteen (14) frequencies per week, for service to any point or points in Brazil.
3. The frequency limitations in this provision are not to apply to the non-operating carriers participating in code-sharing arrangements.
4. Effective October 1, 2015, and provided that the Air Transport Agreement between the Government of the United States of America and the Government of the Federative Republic of Brazil, initialed on December 3, 2010, has entered into force, the frequency limitations provided for in paragraphs 1 and 2 above are no longer to be applied, and airlines are to be allowed to provide international air transportation without limitation as to the frequency of service.
5. Charter services, whether passenger, cargo, separately or in combination, are to be authorized over the routes specified in the route schedule provision of this MOC, without limitation as to the frequency of service.

### **Section 3**

#### **Ownership and Control**

Upon entry into force of an agreement providing for the implementation of Open Skies, the Department of Transportation of the United States of America is prepared to consider applications for waiver of the ownership and control standards in that agreement in a manner



consistent with its established policies and practices with regard to the ownership and control of airlines in situations where all countries involved are implementing Open-Skies regimes.

#### **Section 4**

##### **Pricing**

1. Airlines of both countries are to be allowed to establish prices for air transportation based upon commercial considerations in the marketplace.
2. If either Aeronautical Authority requires notification or filing of prices to be charged to or from its country's territory by airlines of the other country, that Aeronautical Authority does not intend to require such notification or filings earlier than the initial offering of a price.
3. Where there are differences between Article 12 of the 1989 Agreement and this section, the Aeronautical Authorities intend to follow the provisions of this section in carrying out obligations with respect to pricing matters.

#### **Section 5**

##### **Code Sharing**

In operating or holding out the agreed services on the route schedule specified in this MOC, any designated airline of the country of either Aeronautical Authority is to be allowed to enter into cooperative marketing arrangements such as blocked-space, code sharing, or leasing arrangements, with:

- a. an airline or airlines of either country;
- b. an airline or airlines of a third country;
- c. a surface transportation provider of any country;

provided that all airlines in such arrangements (i) hold the appropriate authority; and (ii) meet the requirements normally applied to such arrangements.

#### **Section 6**

##### **Security**

In addition to the rights established under Article 7 of the 1989 Agreement:

1. Within sixty (60) days following written notice, the appropriate authorities of either Brazil or the United States are to be allowed to conduct an assessment, in the territory of the other country, of the security measures being carried out by aircraft operators in respect of flights



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between Brazil and the United States and those flights of aircraft with a registry in the country of the authorities conducting the assessment. The administrative arrangements for the conduct of such assessments should be agreed between the appropriate authorities of Brazil and the United States and implemented without delay so as to ensure that assessments may be conducted expeditiously. The assessment reports are to be held in confidence by the appropriate authorities.

2. With full regard for the responsibility of Brazil and the United States for ensuring effective implementation of the Standards and appropriate Recommended Practices set forth in Annex 17 to the Convention on International Civil Aviation, done at Chicago December 7, 1944 (the "Convention"), the appropriate authorities should provide all necessary assistance to each other when conducting technical airport security visits in the territory of the other country for the purpose of verifying that the security measures required under Annex 17 to the Convention are effectively being carried out. The appropriate authorities should coordinate such visits, providing each other at least sixty (60) days written notice, to identify the airports to be visited, the dates of the visits, and the scope of each visit. The reports from technical airport security visits are to be held in confidence by the appropriate authorities.

## **Section 7**

### **Commercial Opportunities**

In addition to the rights granted under Article 8 of the 1989 Agreement, airlines and indirect providers of cargo transportation of both Brazil and the United States are to be allowed, without restriction, to employ in connection with international air transportation any surface transportation for cargo to or from any points in the territories of Brazil and the United States or in third countries, including to and from all airports with customs facilities and to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, should have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air transportation. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

## **Section 8**

### **User Charges**

With respect to Article 10 of the 1989 Agreement, the Aeronautical Authorities intend to recommend to their respective governments that neither Brazil nor the United States should be held in dispute resolution procedures, pursuant to Article 14 of the 1989 Agreement, to be in breach of a provision of Article 10, unless (a) it fails to undertake a review of the charge or practice that is the subject of complaint by the other within a reasonable amount of time; or (b)

following such a review it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this provision.

### **Section 9**

#### **Statistics**

The Aeronautical Authorities confirm that nothing in this MOC is intended to preclude either Aeronautical Authority from requiring, in accordance with its domestic laws and regulations, that airlines file statistics, provided that such requirements are applied on a fair and non-discriminatory basis.

### **Section 10**

#### **Modifications**

This MOC may be modified in writing by the Aeronautical Authorities.

### **Section 11**

#### **Applicability**

Upon signature, the Aeronautical Authorities intend to observe, on the basis of comity and reciprocity, the provisions as stated in this MOC. Upon entry into force of the Agreement between the Government of the United States of America and the Government of the Federative Republic of Brazil on Air Transport, signed at Brasilia March 19, 2011, the Aeronautical Authorities intend to apply only Section 2 (Capacity), Section 3 (Ownership and Control), and Section 10 (Statistics) of this MOC.

IN WITNESS WHEREOF the undersigned, being duly authorized, have signed this MOC.

Signed this 19 of March, 2011, in the English language.

FOR THE DELEGATION OF  
THE FEDERATIVE REPUBLIC OF BRAZIL



**Solange Paiva Vieira**  
NATIONAL CIVIL AVIATION AGENCY

FOR THE DELEGATION OF  
THE UNITED STATES OF AMERICA



**Krishna R. Urs**  
DEPARTMENT OF STATE

Delegation lists

**DELEGATION OF THE FEDERATIVE REPUBLIC OF BRAZIL**

|   |   |
|---|---|
| Ms. Solange Paiva Vieira                  | Head of Delegation<br>Director-President<br>ANAC  |
| Mr. Bruno Silva Dalcolmo                  | Superintendent of International Relations<br>ANAC |
| Mr. Gabriel De Mello Galvao               | Chief Counsel<br>ANAC                             |
| Mr. Roque Felizardo Da Silva Neto         | Manager for International Market Analysis<br>ANAC |
| Mr. Guttemberg Rodrigues Pereira          | Manager for International Agreements<br>ANAC      |
| Mr. Daniel Ramos Longo                    | Manager – Regulation Specialist<br>ANAC           |
| Mr. Paulo Peixoto Bittar                  | Regulation Specialist<br>ANAC                     |
| Mr. Francisco Carvalho De Lima            | Regulation Specialist<br>ANAC                     |
| Mr. Luiz Guilherme Ferreira De Castro Jr. | Secretary<br>Ministry of Foreign Affairs – MRE    |
| Mr. Norberto M. Jochmann                  | ABSA Aerolinas Brasileiras S.A.                   |
| Mr. Luciano Ghelardi                      | ABSA Aerolinas Brasileiras S.A.                   |
| Mr. Marcelo Varella                       | TAM Linhas Aereas S.A.                            |
| Mr. Caio Cruz                             | TAM Linhas Aereas S.A.                            |
| Mr. Joao Paulo De Jesus Lopes             | TAM Linhas Aereas S.A.                            |
| Mr. Carlos Sergio De Sant'Anna Cesar      | VRG Linhas Aereas S.A.                            |



**DELEGATION OF THE UNITED STATES OF AMERICA**

|                      |   |
|----------------------|---|
| Mr. Krishna Urs      | Head of Delegation<br>Deputy Assistant Secretary<br>Transportation Affairs<br>United States Department of State |
| Ms. Fiona Evans      | United States Department of State   |
| Ms. Elizabeth Kiingi | United States Department of State   |
| Mr. Alfonso Cortes   | United States Embassy in Brasilia<br>United States Department of State  |
| Mr. Brian Hedberg    | United States Department of Transportation  |
| Mr. Lawrence Myers   | United States Department of Transportation  |
| Mr. Eugene Alford    | United States Department of Commerce  |
| Ms. Cecilia Bethke   | Air Transport Association   |
| Mr. Jeff Morgan      | Delta Airlines  |
| Ms. Courtney Felts   | Federal Express   |
| Mr. Oracio Marquez   | Continental/United Airlines   |
| Mr. Robert Wirick    | American Airlines   |
| Mr. Russ Pommer      | Atlas Air   |
| Mr. Ben Slocum       | U.S. Airways  |
| Ms. Laura Jackson    | Denver Airport  |



### Record of Negotiations

1. With regard to Article 2, paragraph 5, of the Agreement, the delegations recognized that the rights for charter air services are set out in Article 2 and that both Parties will allow the operation of charter flights that are authorized under the Agreement. The delegations recognize that the lack of limitations on charter services is not intended to avoid frequency limitations on scheduled air services at the airports of São Paulo and Rio de Janeiro.

2. With respect to Article 3 of the Agreement, the Brazilian delegation stated that in relation to designation and authorization of airlines, instead of the ownership and effective control by nationals of the other Party, Brazil adopts the principle of establishment and principal place of business to secure full regulatory control of airlines. The Brazilian delegation stated that the aim of this policy is to foresee the liberalization of investments in airlines. This is seen by Brazil as an important step towards integration of markets, consolidation of the airline industry, and an integral part of the country's regional integration policy.

The U.S. delegation stated that it would be a significant departure from U.S. policy and practice not to include the ownership and control provisions currently in the 1989 U.S.-Brazil Agreement on Air Transport, as amended. The U.S. delegation further stated that, with respect to Articles 3 and 4 of the Agreement, the U.S. Department of Transportation (USDOT) has authority to waive the ownership and control standards and has an established practice of waiving such standards for airlines in cases where all countries involved are Open-Skies partners. The U.S. delegation noted in this context that USDOT is willing to accept requests for consideration of a waiver of the ownership and control standards from Brazilian air carriers at any time.

Having exchanged views on their relevant provisions concerning ownership and control of airlines, both delegations affirmed their shared understanding of the established USDOT practice referred to in the paragraph above. The Brazilian delegation underscored its government's interest in the application of this established practice for airlines in cases where Brazil and all other countries involved are Open-Skies partners.

3. In discussing the laws and regulations referred to in Article 5 of the Agreement, the delegations expressed their mutual understanding that the application of such laws and regulations is not intended to provide the airlines of any Party a competitive advantage in international air transportation, including, for example, more favorable treatment of national airlines. Furthermore, the delegations confirmed their understanding that this article is to be applied consistently with the principle of fair and equal opportunity in Article 11 of the Agreement. The delegations recognized, however, that there may be occasions in which

differential treatment among airlines with respect to the application of the laws and regulations referenced in Article 5 would be justified and consistent with both provisions.

4. With respect to paragraph 2 of Article 5 of the Agreement, the Brazilian delegation proposed the addition of "health" to the illustrative list of regulations of one Party that are to be complied with by, or on behalf of, passengers, crew or cargo of the other Party. The U.S. delegation explained that the reference to "quarantine" in this paragraph adequately addresses the health considerations to which this provision would apply and that the addition of a reference to health could be construed as expanding its scope of application.

The Brazilian delegation also proposed the addition of "currency" to the illustrative list in paragraph 2 of Article 5 of the Agreement. The delegations noted, *inter alia*, that both countries have laws with respect to the declaration of currency in excess of stated threshold amounts, and that the application of those laws would not be inconsistent with the Agreement.

5. With respect to Article 8 of the Agreement, the Brazilian delegation proposed inclusion of language on the relationship between the Agreement and any agreement between the Parties concerning double taxation or the transfer of funds. The U.S. delegation noted that this issue falls under the responsibility of the U.S. Department of the Treasury, and is outside the scope of this Agreement.

6. In response to a concern raised by the Brazilian delegation with respect to paragraph 4 of Article 8 of the Agreement, the U.S. delegation affirmed its willingness to facilitate prompt consideration by the relevant authorities of requests for permits, visas, and documents for the staff referred to in that paragraph, including where the entry or residence of staff is required on an emergency and temporary basis.

7. With regard to paragraph 7 of Article 8 of the Agreement, the delegations noted that the term "physical limitations" refers to physical constraints resulting from limitations in available space or operational capacity arising from congestion, not to constraints resulting from commercial arrangements regarding airport facilities. The U.S. delegation confirmed that the term "safety" as used in this paragraph includes specific constraints on available space or operational capacity arising from congestion which make it impossible, while maintaining safe operation of the airport, to implement self-handling.

In addition, the U.S. delegation noted that the principle of non-discrimination contained in paragraph 7 of the Agreement includes the recognition that, where self-handling is unavailable, the available service providers are to provide ground-handling services comparable in kind and quality of service as if self-handling were possible. The Brazilian delegation noted that, when self-handling is not possible due to the limitations indicated in the above paragraph, airlines of both Parties should have the right to receive, from ground-handling providers, services comparable in kind and quality to those offered to any other airlines at the airport. The delegations also noted that no distinction is to be made between foreign or national airlines as to the availability of such services.



8. In response to a question from the Brazilian delegation with regard to paragraph 1 of Article 10 of the Agreement, the U.S. delegation explained that “just and reasonable” means that the level of any user charge should be rationally related to the cost of providing the service. The U.S. delegation further explained that “not unjustly discriminatory” means that the structure of user charges imposed by the competent authorities is to be equitably apportioned among categories of users in relationship to the costs of service respectively incurred.

In addition, the Brazilian delegation asked the U.S. delegation to clarify the meaning of “any other airline” in that paragraph. The Brazilian delegation explained that user charges imposed by the competent charging authorities in Brazil are non-discriminatory and, similar to those imposed by U.S. authorities, based on weight and size of aircraft. Certain charges, however, may differ for flights depending on the services provided. Flights receiving customs and immigration services, for example, may pay higher charges, regardless of the nationality of the carrier.

The Brazilian delegation noted that differentiation on user charges, consistent with the principles above, is an integral part of its regional integration strategy and that the provisions of the Agreement should not impede the application of this public policy. The U.S. delegation stated that such treatment would not be seen as inconsistent with Article 10 of the Agreement.

9. With respect to paragraph 1 of Article 11 of the Agreement, the Brazilian delegation observed the multiple meanings of “fair and equal opportunity.” The U.S. delegation explained that “fair and equal opportunity” is intended to ensure that the Parties facilitate the market conditions needed by all airlines to exploit the full range of rights provided for under the Agreement. In this respect, the Brazilian delegation noted its concerns about U.S. restrictions on government-procured transportation as set out in the U.S. Fly America Act, observing that the program does not appear to fit the criteria of “fair and equal opportunity” to compete. The U.S. delegation did not share that view, and noted that Brazilian airlines may currently transport U.S. Government-procured traffic. The Brazilian delegation indicated that it would be interested in obtaining for Brazilian airlines the benefits of any future relaxation of U.S. policy in the area.

10. With respect to paragraph 4 of Article 11 of the Agreement, the delegations affirmed their understanding that neither Party requires approval of schedules for purposes of controlling capacity in the market. They noted, however, that filing of schedules for the purpose of ascertaining availability of airport infrastructure and air navigation services, such as required for obtaining slot allocations, is not inconsistent with the Agreement, so long as the process for slot allocation is transparent, fair and non-discriminatory and irrespective to the nationality of the airlines.

11. The U.S. delegation asked the Brazilian delegation for information regarding its “Horário de Transporte” (HOTRAN) process. The Brazilian delegation explained that the HOTRAN process is based on non-discriminatory and objective criteria, and does not favor particular airline operations based on the nationality of the airline. The Brazilian delegation further explained that ANAC continues to work to simplify and streamline the HOTRAN process.

12. The Brazilian delegation proposed the inclusion of an article in the Agreement specifically authorizing the aeronautical authorities of either Party to require the provision of statistical information. The Brazilian delegation stated that such an article, *inter alia*, is important to facilitate access to information to be used in the consideration of competition issues. In response, the U.S. delegation stated that the Agreement does not prevent either Party from requiring, under its domestic laws or regulations, that airlines file statistics with the aeronautical authorities. The U.S. delegation further stated that the USDOT requires both domestic and foreign airlines to file statistical data and that this is accomplished without the inclusion of a statistical filing provision in its bilateral air services agreements. The U.S. delegation indicated that the United States Government expects airlines of both Parties to comply with regulations of either Party concerning the provision of statistics on a non-discriminatory basis and with adequate protection for confidential or proprietary information.

13. The Brazilian delegation stated that it expects favorable consideration to be given to applications for antitrust immunity for commercial arrangements between U.S. and Brazilian airlines and underlined that, whenever airlines satisfy the conditions prescribed by competition laws and regulations, both Parties should seek to grant antitrust immunity to the proposed operations. The U.S. delegation took note of the position of the Brazilian delegation, and explained that the USDOT is empowered by statute to decide, on the basis of a formal public proceeding and under specific statutory criteria, whether to grant U.S. antitrust immunity to agreements among airlines which are filed with it for approval. USDOT's decision must adhere to judicial standards of procedure and cannot be prejudged.

14. In response to a question raised by the U.S. delegation, the Brazilian delegation explained that at São Paulo's Guarulhos International Airport (GRU) the Government of Brazil continues to honor frequency allocations negotiated in air services agreements before the July 20, 2007, policy decision to restrict frequencies for additional services at GRU.

The Brazilian delegation clarified that capacity entitlements of certain countries preceded infrastructure constraints affecting access to GRU and, to respect these rights, carriers of such countries may apply for allocation of slots at GRU.

The Brazilian delegation noted that when the infrastructure-related constraints at GRU are eliminated, it intends to allow frequencies negotiated "subject to the removal of infrastructure restraints at São Paulo" to be utilized in the order in which they were negotiated.

15. In recognition of shared environmental objectives, the delegations noted their intentions to work through the International Civil Aviation Organization (ICAO) to address greenhouse gas emissions from international aviation.

16. The U.S. delegation expressed its concerns regarding actions taken by a public prosecutor in the municipality of Guarulhos alleging potential environmental liability of U.S. carriers operating at the Guarulhos International Airport. The Brazilian delegation, *inter alia*, explained that the Agência Nacional de Aviação Civil (ANAC) is currently in the process of gathering information regarding this matter and that ANAC will determine what legal action to take, if any, following its review of the information collected.

The U.S. delegation also expressed its concerns regarding the award of damages by Brazilian consumer courts in excess of those allowed under the 1999 Convention on the Unification of Certain Rules for International Carriage. The Brazilian delegation indicated that ANAC's powers to intervene in this matter are limited and recommended that this issue be addressed to the Ministry of Foreign Affairs.

The U.S. delegation expressed its appreciation for the information provided by the Brazilian delegation regarding the "doing business issues" referred to in this paragraph and requested that, with respect to both of these important matters, the Brazilian Government take action at an appropriate moment in the future to address the U.S. Government's continued concerns.

With regard to the Air Transport Agreement, the delegations agreed that the subheadings in the Articles are for informational purposes only.

