

INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE



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May 20, 2004

Mr. Steven Falken
Executive Director for GSP
Chairman, GSP Subcommittee
Office of the U.S. Trade Representative
1724 F Street NW, Room F-220
Washington, DC 20508

Re: Brazil GSP IPR Investigation
Case: 011-CP-02

To the GSP Subcommittee:

As the U.S. government nears its decisions regarding the 2003 GSP country eligibility review, IIPA takes this opportunity to share our views regarding Brazil.

On February 18, 2004, IIPA provided this Subcommittee with a copy of IIPA's February 2004 Special 301 report on Brazil to supplement to the public GSP file on this case. We noted that high levels of copyright piracy and inadequate criminal enforcement in Brazil have harmed both Brazilian and U.S. creators for many years and continues to this very day. Estimated trade losses due to copyright piracy in Brazil in 2003 alone were \$785 million, or \$2.2 billion during the three years of this GSP review (2001-2003). The initiation of a concerted, national plan to tackle copyright piracy that achieves tangible results is still missing. Although the Brazilian Congress held hearings and established a commission to investigate piracy, such congressional action has had little impact on encouraging the Administration to engage in concerted leadership and nationwide enforcement actions, and piracy continues to flourish.

In our 2004 301 report, IIPA noted that Brazil continues to fail to provide "adequate and effective protection" for U.S. copyrights as required by the GSP trade program. In USTR's May 3, 2004 Special 301 decisions, USTR stated that, "We will continue to monitor Brazil's progress in these areas, including through the ongoing GSP review that was initiated by USTR in 2001."

Brazil fails to satisfy its IPR obligations under the GSP program. The time has come for this Subcommittee to make that same determination.

Sincerely,

Maria Strong
Vice President and General Counsel
International Intellectual Property Alliance