AGREEMENT ON MARITIME TRANSPORT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

The Government of the United States of America

and

The Government of the Federative Republic of Brazil

(hereinafter the "Parties"),

Reaffirming their interest in the free flow of maritime trade and improved competitive access to such trade for national-flag carriers of both Parties, taking into consideration the interests of third-flag carriers;

Noting the continued interest of the Parties in the liberalization of their maritime trades;

Taking into account the increasing use of intermodal transport of cargoes in the bilateral trade;

Recognizing that free and fair competition is the effective way to encourage efficient shipping services at favorable costs and that such shipping conditions enhance the growth of the economies of both countries and their foreign trade; and

Recognizing the desirability of limiting, insofar as possible, restrictions on the access of carriers to government-controlled cargo and other cargoes;

Have agreed as follows:

ARTICLE 1

The Parties shall conduct their bilateral maritime transportation relations in accordance with the following provisions relating to international ocean-borne cargo trade, excluding bulk cargoes and cargoes transported between ports or points in the territory of either Party:

a) The Parties recommit themselves to the pursuit of free and open maritime trade through administrative and legislative measures;

b) The Parties shall afford fair and nondiscriminatory opportunity to national-flag carriers of both Parties and to third-flag carriers to compete for the carriage of commercial cargo in the bilateral trade. Each Party shall further afford fair and nondiscriminatory opportunity for national-flag carriers of the other Party to compete for the carriage of commercial cargo in third-country trades;

c) National-flag carriers of each Party shall have equal and nondiscriminatory access to the government-controlled cargo of the other Party, excepting defense cargoes and agricultural assistance cargoes, for carriage in vessels owned or chartered by those carriers. If any unintended imbalance develops in the carriage of the government-controlled cargoes, the Parties shall hold consultations expeditiously pursuant to Article 2 of this Agreement, in order to find a solution;

d) Waivers for the carriage of government-controlled cargo by foreign-flag vessels shall be issued expeditiously. The availability period used by each Party to determine whether waivers for the carriage of government-controlled cargo in vessels operated by foreign-flag carriers may be granted shall consist of no more than three days before and seven days after the shipper's requested sailing date. Each Party's competent authority will respond to waiver requests within three working days of receipt;

e) The Parties, upon request by a shipper, carrier or other interested party, shall make every effort to advise within three working days if a specific cargo falls under the laws of controlled cargo and the basis for such characterization;

f) The Parties shall afford fair and nondiscriminatory treatment with respect to commercial operations of each Party's carriers, including the establishment of business offices, the ownership and operation of maritime facilities, the intermodal movement of cargo, and the establishment of such other facilities as may be necessary to the efficient conduct of maritime services;

g) In order to facilitate efficient operation of maritime transport, the Parties shall not impose any restrictions on the transshipment or relay shipment of cargoes in the bilateral trade, subject to cabotage laws of each Party;

h) On a reciprocal basis, each Party shall afford vessels of the other Party the same treatment as its own vessels with respect to taxes assessed on tonnage or freight value and other taxes and levies;

i) The tariffs of and shipping documents issued by multimodal transport operators or ocean transportation intermediaries organized under the laws of either Party shall be recognized and accepted by the Parties in their bilateral trade;

j) The Parties shall regularly exchange updated information on the value and tonnage, by flag and type of vessel, of their respective government-controlled cargo in the bilateral trade; and

k) For the purposes of the present Agreement, "government-controlled cargo" means cargo, all or some portion of which under the law of the Party is reserved for transportation by its national-flag carriers.

ARTICLE 2

The Parties shall consult on changes in internal legislation deemed likely to affect the application of the Agreement, as well as on further matters affecting the bilateral maritime trades, or on any matter involving the application or interpretation of this Agreement.

ARTICLE 3

The provisions of this Agreement shall not limit the right of either Party to take any legitimate action under international law for the protection of its security interests.

ARTICLE 4

For purposes of implementation of this Agreement, the competent authorities shall be, for the United States of America, the Maritime Administration (MARAD) of the U.S. Department of Transportation, or such body as the United States Government may designate, and, for the Federative Republic of Brazil, the National Agency for Waterways Transportation (ANTAQ), following the guidelines issued by the Ministry of Transportation. Each Party shall notify the other through diplomatic channels of any change in the identity of its competent authority.

ARTICLE 5

The Agreement shall enter into force upon completion of an exchange of notifications that internal procedures necessary for its entry into force have been completed. It shall remain in force for a period of five (5) years, its validity being automatically renewed thereafter for successive one-year periods, unless a contrary notification is presented by any one of the two Parties. Either Party may, at any moment, terminate the present Agreement. The termination shall be effective sixty (60) days after the receipt of the written notification by the other Party, through diplomatic channels.

DONE at Washington, this thirtieth day of September, 2005, in duplicate in the English and Portuguese languages, both texts being equally authentic.

FOR THE GOVERNMENT
OF THE UNITED STATES
OF AMERICA:

FOR THE GOVERNMENT
OF THE FEDERATIVE REPUBLIC
OF BRAZIL: