RFA
RENEWABLE FUELS ASSOCIATION

July 1, 2026

The Honorable Jamieson Greer
United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Re: Docket ID: USTR-2026-0331: Notice of Determination and Request for Comments Concerning Action Pursuant to Section 301: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anti-Corruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation

Dear Ambassador Greer,

The Renewable Fuels Association (RFA) greatly appreciates the opportunity to submit these comments in response to the U.S. Trade Representative's ("USTR") Notice of Determination and Request for Comments Concerning Action Pursuant to Section 301: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anti-Corruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation (Docket No. USTR-2026-0331). On behalf of RFA's membership, and the U.S. ethanol industry as a whole, we are extremely grateful to President Trump's Administration for its steadfast commitment to removing unfair barriers to U.S. ethanol exports shipped to Brazil and around the globe.

RFA is the leading trade association for America's ethanol industry. Our mission is to drive growth in American-made renewable fuels and bioproducts for a better future. Founded in 1981, RFA serves as the premier organization for industry leaders and supporters. With over 300 members, we work every day to help America become cleaner, safer, and more economically vibrant.

U.S. Ethanol Export Leadership

Over the last 15 years, the U.S. ethanol industry has been the most consistent global leader in ethanol production and exports. Driven by rising global demand for lower-cost fuels, reduced emissions, and better air quality, the U.S. has been a net exporter of ethanol and has become the dominant ethanol supplier globally. In 2024, U.S. ethanol exports grew 35 percent over 2023 levels to 1.9 billion gallons. Then, in 2025, U.S. ethanol exports grew an additional 15 percent, rising to a new record high of 2.2 billion gallons. Last year, the value of U.S. ethanol exports soared to $4.8 billion, also a record high. The top five markets were Canada, the United Kingdom, European Union, India, and Colombia, receiving a combined 75 percent of U.S. ethanol exports. U.S.-produced ethanol was shipped to 80 countries on all six inhabited continents.

While the U.S. has remained dominant in ethanol production and exports, our nation's ethanol producers and farmers continue to face significant barriers to trade in a number of key markets. Despite long-standing efforts by industry and trade officials to remove certain tariff and non-tariff barriers in Brazil, India, the European Union, Southeast Asia, Mexico, Colombia, and other countries, many impediments have persisted and continue to block or reduce access to key markets.

Background: Brazil Section 301 Investigation

On July 15, 2025, the Office of the U.S. Trade Representative initiated an investigation under Section 301(b) of the Trade Act into a number of Brazil's unfair trade practices, including those impacting ethanol market access ("Brazil 301 Investigation" or "Investigation"). As outlined in the Investigation, USTR explicitly evaluated the extent to which Brazil's tariff rates or any related regulations on ethanol discriminate against or unfairly disadvantage U.S. ethanol producers. In addition, the Investigation called for review of any other acts, policies, or practices of Brazil that may discriminate against or unfairly disadvantage U.S. producers of ethanol, biofuels, or related products.

On June 1, 2026, USTR announced that the Investigation determined that certain of Brazil's acts, policies, and practices related to ethanol market access are unreasonable and burden or restrict U.S. commerce and are therefore actionable and remediable under Section 301. At the conclusion of the Investigation, a notice was duly published in the Federal Register detailing the investigation's findings with regard to ethanol, which found that Brazil, in discontinuing its previously balanced tariff treatment and failing to reciprocate U.S. tariff treatment, has denied fair and equitable market opportunities for U.S. ethanol producers ("Notice of Determination"). Specifically, USTR determined that the above acts, and the policies and practices erected in connection therewith, are unreasonable and burden or restrict U.S. commerce and thereby warrant the application of a universal 25 percent reciprocal tariff on imports from Brazil, subject to certain exemptions under Section 232, and for certain identified critical goods.

As detailed below, the U.S. ethanol industry agrees with the findings as outlined in the Notice of Determination and strongly supports the imposition of a 25 percent reciprocal tariff on Brazil's imports as a reasonable and legally justifiable remedy under Section 301.

I. USTR's Investigation Pursuant to Section 301 re: Brazil's Ethanol Market Access is Legally Warranted and the Imposition of Reciprocal Duties is Justified Based on the Investigation's Findings

Title III of the Trade Act of 1974 (Sections 301-310, 19 U.S.C. §§2411-2420), titled "Relief from Unfair Trade Practices," is often collectively referred to as "Section 301." Under Section 301, Congress grants the Office of the United States Trade Representative (USTR) a range of responsibilities and authorities to investigate and take action (e.g., impose a tariff) to enforce U.S. rights under trade agreements and respond to certain foreign trade practices.[1] More specifically, a Section 301 investigation is permitted to be used to respond to unjustifiable, unreasonable, or discriminatory foreign government practices that burdens or restricts U.S. commerce. [2]

a. Brazil Has Discontinued its Previously Balanced Tariff Treatment and Failed to Reciprocate U.S. Tariff Treatment of Ethanol, and Thereby Has Denied Fair and Equitable Market Opportunities for U.S. Ethanol Producers

Prior to the implementation of punitive trade barriers, Brazil and the United States enjoyed an open and efficient two-way trading relationship in ethanol. In the past, the United States and Brazil relied upon each other for bilateral trade in ethanol to economically meet our respective national ethanol blending targets, and to help respond to periods of deficit and surplus ethanol production in the two markets. Consistent with this effort, from 2010 to 2017, Brazil and the United States each took action to remove all duties between our two countries in the trade of ethanol. In 2010, Brazil suspended its 20 percent tariff on imported ethanol, in a move that was strongly supported and promoted by Brazil's domestic ethanol industry. Then, in 2011, the United States, in turn, removed its import duty on ethanol and allowed the volumetric ethanol excise tax credit (known as the "blender's tax credit") to expire. As a result, our two nations experienced a dramatic increase in bilateral ethanol trade, with fuel consumers in both nations benefiting from free and fair trade.

[1] See 19 U.S.C. §§ 2411–2420.
[2] Id.

However, beginning in 2017, Brazil unilaterally began abandoning this mutually beneficial approach, in an effort clearly intended to disadvantage U.S. ethanol imports. After several years of duty-free ethanol trade, in September 2017, Brazil began imposing a tariff-rate quota (TRQ) on U.S. ethanol of 600 million liters annually, with an out-of-quota rate of 20 percent on imported ethanol. Then, in September 2019, Brazil expanded the TRQ to 750 million liters annually. Despite the imposition of the TRQ in 2017, U.S. ethanol exports (including modest volumes over the quota) continued to flow to Brazil over the next several years. U.S. fuel ethanol exports were valued at $736 million in 2017, a record high of $760 million in 2018, and $486 million in 2019.

Then, in a further attempt to disadvantage U.S. ethanol, Brazil in 2020 allowed the TRQ to expire, causing all ethanol imports to face a 20 percent rate, which later changed to 18 percent in November 2021. Since the expiration of the TRQ and the resulting imposition of significantly higher Brazilian tariff rates, U.S. ethanol exports to Brazil have collapsed. While Brazil temporarily eliminated its ethanol tariff in March 2022, it was reinstated at 16 percent on January 31, 2023. Finally, on January 1, 2024, Brazil reset its tariff rate on imported ethanol at 18 percent, where it currently remains today. As a result of Brazil's volatile application of tariff rates in recent years, U.S. fuel ethanol exports to Brazil fell to zero in 2023, just $43 million in 2024 and $68 million in 2025. Despite the small increase in imports in 2024 and 2025, exports to Brazil accounted for just 1.3 percent of total U.S. ethanol exports, and 1.8 percent of exports in 2025, after accounting for approximately one-third of total U.S. exports as recently as 2018.

a. Brazil's Action in Denying Fair and Equitable Market Opportunities for U.S. Ethanol Producers Has Resulted in the Dramatic and Sustained Reduction in Ethanol Exports to Brazil, Despite the Growth in U.S. Ethanol Exports Globally and in Comparable Markets

As detailed below, USTR's conclusion that Brazil's acts, policies and practices have denied fair and equitable market opportunities to U.S. ethanol producers and have ultimately resulted in a dramatic and sustained reduction in ethanol exports, is well supported by the findings in the Notice of Determination.

i. Brazil's Duty on U.S. Ethanol Imports Is Punitive and Was Imposed in an Effort to Reduce or Eliminate Market Access for U.S. Ethanol Exports

Brazil's tariff rates have no doubt had a demonstrable impact on U.S. ethanol exports. While Brazil was once the top export market for U.S. ethanol, the imposition of tariffs (without a duty-free quota) in recent years has essentially closed the market. To make matters worse, while U.S. ethanol faces a significant 18 percent import duty, Brazilian ethanol enters the U.S. market with just a 2.5 percent ad valorem duty, granting Brazilian producers preferential access and market competitiveness in America.

As part of the Notice of Determination, and consistent with publicly available trade data, USTR noted that in 2025, U.S. exports to Brazil totaled $96 million, an 87% decrease from the peak export value of $761 million in of 2018. Additionally, in 2024, U.S. ethanol import market share in Brazil had fallen to 54%, from a high of nearly 100% in 2018. This dramatic decrease in imports of U.S. ethanol was solely the result of reduced competitiveness due to the application of the punitive tariff on imports imposed by Brazil.

To add insult to injury, at the same time Brazil's government has imposed its restrictive tariff, Brazilian ethanol exporters have continued to benefit from relatively open U.S. market access, with Brazilian ethanol actually receiving beneficial treatment under the U.S. Renewable Fuel Standard and certain state low carbon fuel policies. For example, under the RFS, imported sugarcane ethanol from Brazil is classified as an "advanced biofuel," while U.S.-produced corn ethanol is classified as a "conventional renewable fuel." Under the RFS, "advanced biofuels" generate higher value compliance credits (known as RINs) than "conventional biofuels," meaning there is an added incentive to import Brazilian ethanol. Further, certain state fuel policies, like California's Low Carbon Fuel Standard (LCFS), arbitrarily assign a much lower "carbon intensity" value to sugarcane ethanol imported from Brazil, meaning the fuel generates more lucrative carbon credits under the LCFS than American-made corn ethanol.

As evidence of Brazil's unreciprocated and uneven market access, in 2024, U.S. imports of ethanol from Brazil amounted to approximately $203 million, while U.S. exports of ethanol to Brazil that same year amounted to only $53 million. And, in 2025, this trade imbalance persisted with the U.S. importing $143 million worth of Brazilian ethanol, and Brazil only importing $97 million of U.S. ethanol last year.

Finally, as accurately detailed in the Notice of Determination, in those markets that did not impose similar barriers to Brazil, by contrast, U.S. exports have grown. According to the Investigation's findings, in 2016 and 2017, prior to Brazil's imposition of tariffs, U.S. exports to Brazil and Canada were comparable. For example, in 2017, the United States exported 430 million gallons of ethanol to Brazil and 326 million gallons to Canada. After Brazil's reimposition of tariffs in 2017, U.S. exports to Canada continued to grow (reaching 698 million gallons in 2024 and 792 million gallons in 2025) while exports to Brazil declined (dropping to 28 million gallons in 2024 and 41 million gallons in 2025).

ii. Brazil Continues to Impose Burdensome Restrictions on U.S. Ethanol Producers' RenovaBio Program Access.

In 2020, Brazil introduced and began implementing a new national biofuels policy, known as RenovaBio. The program is designed to reduce the carbon intensity of Brazil's transportation fuel matrix by increasing the production and utilization of biofuels. Enacted by the National Energy Policy Council (CNPE), RenovaBio sets annual national decarbonization targets for a period of ten years. These targets are then allocated by the National Agency of Petroleum, Natural Gas, and Biofuels (ANP) to all fuel distributors, who are obligated participants in the policy, based on their market share of fossil fuels distribution.

Individual targets are defined in terms of Decarbonization Credits (CBIOs), a tradable environmental asset equivalent to the avoidance of 1 (one) ton of CO2eq emissions (carbon dioxide equivalent). The calculation takes into account the difference in greenhouse gas emissions between the biofuel and the substitute fossil fuel based on the life cycle assessment (LCA) from "well to wheel." CBIO generation falls to biofuel producers, who voluntarily certify their production based on an auditable LCA. Certifying companies, inspection firms, accredited by the ANP, are responsible for verifying and submitting the biofuel producer's certification. Upon completion of the certification process, biofuel producers receive energy-environmental efficiency ratings. With the certification process concluded, producers can then issue valuable CBIOs from biofuel sales.

The RenovaBio program is expected to generate 5 billion gallons of new biofuel demand through 2030. However, after five years of implementation, not a single U.S. ethanol plant has received a full certification by ANP under the Renovabio program, thereby limiting access to the carbon credit market inside Brazil.[3] The current design of the program and its certifying mechanism (RenovaCalc) disadvantages U.S. ethanol producers due to 1) the flawed lifecycle assessment of corn, 2) inequitable land use traceability standards, and 3) extensive and unworkable data requirements for U.S. corn ethanol plants. By limiting access to RenovaBio certification, U.S. ethanol exports to Brazil are severely disadvantaged and are losing competitiveness against domestic product.

Currently, there are roughly 300 ethanol plants in Brazil certified and trading CBIOs in Brazil's domestic market. At the same time U.S. ethanol producers are effectively

[3] It has been reported that a single U.S. corn ethanol facility (i.e., one out of roughly 200 operating facilities) was partially certified to produce CBIOs by ANP in August 2025—just a week before USTR's public hearing on the initiation of the Sec. 301 Investigation; however, it remains unclear whether the facility has been able to successfully generate and sell CBIOs

denied certification under RenovaBio (and therefore disallowed from generating and trading CBIO credits), the United States continues to permit Brazil's ethanol derived from sugarcane to qualify as an "advanced biofuel" under the Renewable Fuel Standard and thereby generate valuable RIN credits.

b. The Acts, Policies, and Practices of Brazil with Respect to Ethanol Market Access are Unreasonable, and Unfairly Restrict and Burden U.S. Ethanol Exports, and Thereby Allow for the Imposition of a Universal 25 Percent Tariff on All Goods from Brazil, Subject To Exemptions for Certain Goods.

As evidenced by Brazil's punitive ethanol tariff regime and restrictive RenovaBio program rules, Brazil clearly is not committed to fair and reciprocal trade in ethanol. In fact, Brazil's treatment of U.S.-produced ethanol creates unnecessary trade barriers, raises costs for consumers, and increases our nation's agricultural trade deficit with Brazil. All of this has occurred while U.S. renewable fuel and trade policies have provided open and unfettered access for ethanol imports from Brazil.

Under Section 301 of the Trade Act, if it is determined that an act, policy, or practice of a foreign government is "unreasonable or discriminatory" and "burdens or restricts" U.S. commerce, USTR has the discretion to apply reciprocal duties. As permissible trade remedies, Section 301 further authorizes USTR to (1) impose tariffs or other import restrictions, (2) withdraw or suspend trade agreement concessions, and (3) enter into a binding agreement with the foreign government to either cease the conduct in question or compensate the United States, with a priority being placed on import tariffs over import restrictions. Finally, Section 301 provides that the level of the proposed duties should "affect goods or services of the foreign country in an amount that is equivalent in value to the burden or restriction being imposed by that country on" U.S. commerce.

As announced in the Notice of Determination, USTR is seeking to impose 25 percent reciprocal duty on all good imported from Brazil, subject to exemptions for certain goods impacted by Section 232 or otherwise identified as critical goods. Because the Notice's findings conclude that Brazil's actions in denying fair and equitable treatment with respect to ethanol market access are unreasonable and burden or restrict U.S. ethanol exports to Brazil, USTR is permitted to impose reciprocal duties against Brazil as it has chosen to do here.

In electing to impose a 25 percent reciprocal duty on all Brazil's imports, subject to certain exemptions, the RFA believes the duties are appropriately sized and properly prioritized over import restrictions. First, USTR is proposing only an import duty, and is not suggesting the imposition of any additional import restrictions on Brazil, therefore prioritizing the former over the latter. Second, the duty is reasonably close in value to the 18 percent duty that has been in place in Brazil for several years, with the difference between the two being only 7 percentage points. In addition, the additional harm to the U.S. ethanol industry resulting from discriminatory implementation of the RenovaBio program undoubtedly justifies a slightly higher tariff rate on Brazilian ethanol than is imposed by Brazil on U.S. ethanol imports. While USTR has decided to apply the duty universally against other imports from Brazil and has not limited it to only ethanol imports from Brazil, it is appropriately applied to allow the U.S. to successfully reach an amount equivalent *in market value* to the lost value resulting from Brazil's imposition of the tariff on U.S ethanol imports. As reflected in available U.S. trade data, the U.S. is the leading exporter of ethanol to the global market and does not rely heavily on ethanol imports from Brazil, or any other market for that matter. Therefore, to be effective in countering a restrictive tariff on U.S. ethanol imports, and our country's otherwise open market for Brazilian ethanol, the proposed reciprocal duty must be applied to goods beyond Brazil's ethanol and to goods actually imported in robust amounts from Brazil.

In light of the above, the RFA is in strong support of the reciprocal tariff applied to all goods from Brazil, as proposed in the Notice, as a permissible and appropriately-sized remedy.

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Once again, we greatly appreciate the opportunity to provide information in support of the Trump Administration's efforts to pursue trade remedies pursuant to Section 301 in response to Brazil's unfair and inequitable treatment of U.S. ethanol exports. Please know that we are available to provide any additional information that may be helpful in addressing unjustifiable trade barriers against U.S. ethanol in Brazil.

Sincerely,

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General Counsel and Vice President of
Government Affairs