



July 1, 2026

Ms. Jennifer Thornton
General Counsel
Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508
Docket ID: USTR-2026-0331

Dear Ms. Thornton:

Thank you for the opportunity to provide comments on the proposed action resulting from USTR's Section 301 Investigation on 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.

Growth Energy is the nation's largest association of ethanol producers, representing 98 U.S. plants that each year produce nearly 10 billion gallons of low-carbon, renewable fuel; 130 businesses associated with the production process; and tens of thousands of ethanol supporters around the country. Growth Energy represents the leading exporters in the ethanol industry, helping to support 2.2 billion gallons of ethanol exports to over 60 countries around the world.

Proposed Action

We applaud USTR's determination that Brazil's acts, policies, and practices with respect to ethanol market access, illegal deforestation, and unfair, preferential tariffs are unreasonable and burden or restrict U.S. commerce. We agree with the proposed, appropriate action that would include applying tariffs of 25 percent on all goods from Brazil. As we noted in earlier testimony, the broad approach to tariffs emphasizes the importance of this investigation in real terms, particularly since U.S. imports of ethanol and its feedstocks from Brazil are minimal.

As we have shared in our earlier written comments and public testimony, we believe Brazil's actions have led to a series of events that have created a significant, irreparable contraction of U.S. ethanol export potential to Brazil despite the country's increasing blend rates. While we welcome the proposed tariffs, they will not rectify Brazil's unfair actions bilaterally, or undo the resulting harm Brazil has caused U.S. ethanol in other countries and international bodies as it relates to land use change and deforestation, nor will the tariffs remove the structural international barriers that have been imposed on U.S. ethanol because of Brazil's actions and its false messaging. It is not too much to say that Brazil has been responsible for limiting U.S. ethanol's global eligibility for new uses, such as in the maritime and aviation sectors.

Accordingly, while we support the 25 percent tariff in the final determination, we also ask USTR to take five additional actions against Brazil as a part of this Section 301 investigation.

USTR should:

- 1) Review Brazil's participation in the U.S. Renewable Fuel Standard (RFS) given the lack of real, equitable, meaningful, and fair access to RenovaBio as well as concerns on land use and deforestation.
- 2) Exclude Brazilian ethanol from a duty drawback as it relates to being used for further processing into other products, including ETBE (ethyl tert-butyl ether) that is shipped to Japan or the European Union.¹
- 3) Issue a demarche to U.S. embassies to correct and address the misinformation related to Brazil's sustainability assertions on its "second-crop" corn and engage foreign governments at the highest levels so they are accurately informed about the environmental, economic, and trade opportunities of U.S. ethanol, including the sustainability preference over that of Brazil's "second crop corn," as well as other aspects of Brazil's deforestation and land use changes.²
- 4) Raise RenovaBio at the World Trade Organization for the program's lack of compliance with the Technical Barriers to Trade Agreement.^{3,4}
- 5) Review Brazil's status on the list of eligible countries as part of any future Generalized System of Preferences (GSP).⁵

Unfair, Preferential Tariffs

We recognize that the premise of this section revolves around the use of the enabling clause and may not include references to the EU-Mercosur trade agreement. However, we ask USTR to ensure U.S. ethanol is provided with trade terms no less favorable than Brazilian/Mercosur ethanol is provided under the EU-Mercosur trade agreement. Favorable terms for U.S. ethanol with the EU would meet the reference to, among others, mutually advantageous concessions from trading partners under the America First Trade Policy. While this cannot be resolved as part of this Section 301 investigation, we ask USTR to ensure similar treatment for U.S. ethanol as afforded to Mercosur ethanol as it finalizes the United States-EU reciprocal trade discussions.

As we shared earlier, prior to the EU-Mercosur agreement coming into provisional application, U.S. and Brazilian ethanol were both subject to the same EU import duties of €19.2/hl and €10.2/hl for ethanol, depending on the tariff line. However, given the agreement, Brazilian ethanol now has a competitive advantage that includes:

¹ Page 11 of Growth Energy's written comment (submission ID: USTR-2025-0043-00117681 of August 18, 2025, under USTR Docket ID: USTR-2025-0043.

<https://comments.ustr.gov/sfc/servlet.shepherd/document/download/069SJ00000i7Qr0YAE>

² Page 12, 14 of Growth Energy's written comment (submission ID: USTR-2025-0043-00117681 of August 18, 2025, under USTR Docket ID: USTR-2025-0043.

<https://comments.ustr.gov/sfc/servlet.shepherd/document/download/069SJ00000i7Qr0YAE>

³ Pages 2-4 of Growth Energy's rebuttal to oral testimony (submission ID: USTR-2025-0043-00117944) of September 10, 2026, under USTR Docket ID: USTR-2025-0043.

<https://comments.ustr.gov/s/commentdetails?rid=RM4W3H6GPR>

⁴ Page 9 -10 of Growth Energy's written comment (submission ID: USTR-2025-0043-00117681 of August 18, 2025, under USTR Docket ID: USTR-2025-0043.

⁵ Page 7 of Growth Energy's written comment (submission ID: USTR-2025-0043-00117681 of August 18, 2025, under USTR Docket ID: USTR-2025-0043.

<https://comments.ustr.gov/sfc/servlet.shepherd/document/download/069SJ00000i7Qr0YAE>

- A duty-free quota of 450,000 tonnes annually for industrial / chemical ethanol. This equates to 150.7 million gallons annually when fully phased in.
- A 1/3 of full duty rate (ie €6.4/hl or €3.4/hl depending on ethanol tariff line) for 200,000 tonnes for all other ethanol uses (including fuel). This equates to reduced duty for 67 million gallons of ethanol from Mercosur/Brazil.

Thus, Brazil will be able to supply the EU with either no duty or 1/3 duty on over 217 million gallons of ethanol while the U.S. will continue to face the higher duty of €19.2/hl and €10.2/hl for ethanol. We urge USTR to continue pressing for similar treatment of U.S. ethanol entering the EU so to avoid Brazilian ethanol further eroding U.S. ethanol exports.

Ethanol Market Access

We agree with USTR’s assertion that Brazil’s ethanol tariff is an “unwarranted departure from bilateral cooperation to promote ethanol trade,” particularly given the deceptive practices undertaken as part of the U.S. good faith effort to lower our effective import tariff rate on Brazilian ethanol. We appreciate USTR’s recognition of Brazil’s deceptive practices on ethanol, including their “bait-and-switch” actions on the tariff. We support USTR’s position outlined in this initial finding that such practices negate the argument that Brazil’s tariff is within its bound rate as we noted in our earlier written, oral, and rebuttal testimony. We are eager to see the noted proposed tariff action included in the final determination.

We request that the final determination also include specific references to the unfair practices and barriers of RenovaBio, Brazil’s low carbon fuel program. The Section 301 panel’s questioning and submitted written testimony recognized these practices, but they were otherwise not mentioned in the text of the proposed action justification.

The Brazilian government, UNEM, UNICA and others highlighted in their testimony that one U.S. ethanol facility has been certified under RenovaBio. Interestingly, this announcement was made on August 19, 2025, the day after written testimony was due as part of this Section 301 investigation. Regardless of the questionable timing, only less than one percent (0.87 percent) of all ethanol produced from that U.S. biorefinery is eligible to participate in RenovaBio. This small amount of eligibility came even after Brazilian regulators worked closely with the importer on the application. Conversely, the average amount of eligible ethanol from a Brazilian ethanol producer participating in RenovaBio is 86 percent.⁶

Furthermore, the process that was undertaken for that U.S. biorefinery to prove its eligibility is unknown. Brazil’s regulatory body overseeing RenovaBio has not released a draft revision of the technical report on how foreign feedstock eligibility will be determined. The current operating version of the technical report on foreign feedstock eligibility has the same requirements as Brazilian feedstocks. We also continue to await final technical reports on other implementation topics that pertain to RenovaBio, with earlier drafts released in September. New versions of these technical reports are needed given that the overarching regulation governing the implementation of RenovaBio, Resolution 984/2025, was revised in 2025.

⁶ <https://www.gov.br/anp/pt-br/assuntos/renovabio/arq/certificacoes/certificados-aprovados-producao.xlsx>

Like the United States and Canada, RenovaBio is voluntary for fuel producers but obligates compliance for fuel distributors and provides for significant economic benefits to participating low carbon fuel producers (such as ethanol producers). However, unlike in the United States, Brazil allows for no alternative compliance mechanism for foreign producers to account for differing laws, practices, and regulations from other countries. After years of engagement, there is no timeline from Brazil going forward on pending technical reports. Lacking “aggregate compliance” recognition or an opportunity to petition for an alternative compliance mechanism for feedstock eligibility continues to place an unfair economic disadvantage on U.S. ethanol compared to Brazilian ethanol that goes beyond the impact of Brazil’s tariff, given the nature of credit generation under RenovaBio. It is clear that an alternative compliance mechanism is required to ensure fair access and that the program is WTO-compliant, as we discussed in greater detail in our earlier testimony.

The fact that the one U.S. biorefinery approved and highlighted by Brazil in the hearing is not even eligible for one percent of that producer’s volume underscores the unfairness of RenovaBio—it is evidence that the program is designed specifically to support Brazil’s domestic producers with economic incentives and to exclude imports, particularly those originating here in the U.S. Accepting “aggregate compliance” would have allowed for all feedstock from that U.S. ethanol producer to be eligible irrespective of its emissions reduction determination.

Illegal Deforestation

We applaud USTR for highlighting this concern and the determination outlined in the initial findings. We appreciate the recognition that: “Despite having a legal framework for combating illegal deforestation, Brazil has historically failed to effectively enforce this legal framework, and illegal deforestation persists.” We further applaud the recognition of both legal and illegal deforestation, including that crops commonly planted on the land are benefiting from that initial deforestation and that this use of deforested land allows Brazilian agricultural products to compete in global markets.

We agree and, as referenced in our prior written, oral, and rebuttal testimony, believe this directly and unfairly limits market access for U.S. ethanol bilaterally, multilaterally, and under international agreements on aviation and maritime. We urge USTR to emphasize this reality to global trading partners and multilateral bodies (such as the International Maritime Organization and the International Civil Aviation Organization), encouraging them to recognize these deceptive practices that are hindering U.S. exports and harming the perception of U.S. biofuels. The lack of transparency and accuracy of these groups, and their acceptance of Brazil’s misinformation, has a direct impact on U.S. ethanol exports.

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Thank you for your consideration of these comments on the proposed actions. We appreciate the hard work that you, the Section 301 team, and agency partners have done in this investigation to uncover these unfair acts, policies, and practices, and to take steps to rectify them. Should you

have any questions, need more information, or wish to discuss further, please contact Emily Marthaler, Growth Energy's Director of Global Policy, at emarthaler@growthenergy.org. Growth Energy looks forward to resolving the unfairness facing U.S. ethanol.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley". The signature is stylized and cursive.

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy