



July 28, 2025

The Honorable Howard Lutnick  
The Secretary of Commerce  
Washington, DC 20230

The Honorable Jamieson Greer  
The U.S. Trade Representative  
Washington, DC 20508

Dear Secretary Lutnick and Ambassador Greer:

On behalf of the U.S. Chamber of Commerce, I am writing to convey the significant concerns of our members about the possible repercussions of the imposition of a 50% tariff on imports from Brazil. Levying this steep tariff in response to domestic legal proceedings risks triggering a backlash in Brazil—and potentially significant retaliatory measures—that will impose high costs on U.S. companies, workers, and farmers. At the same time, the investigation under Section 301 of the Trade Act of 1974 that the Office of the U.S. Trade Representative (USTR) launched on July 15 has the potential to bring rigorous analysis to Brazil's longstanding trade barriers and practices, including a number the Chamber and our members have highlighted over the years. We urge that the threat to impose tariffs on August 1 be set aside and a more deliberative approach to addressing Brazil's unfair trade barriers be adopted that allows for evidence-based analysis, stakeholder consultation, and bilateral engagement.

As you know, Brazil is an important commercial partner for a wide array of U.S. companies, and our bilateral trade supports hundreds of thousands of American jobs. Bilateral trade in goods and services topped \$127 billion last year, and the United States recorded a trade surplus with Brazil of nearly \$30 billion. A 50% tariff would impose heavy costs on the 6,500 American small businesses that rely on imports from Brazil. Also, nearly 4,000 American companies have business operations in Brazil, and there are already indications that Brazilian countermeasures may impact them directly or indirectly.

However, Brazil maintains tariff, non-tariff, and regulatory barriers to trade that limit the ability of American companies to compete fairly in several segments of its market. Some of these barriers have been noted for years in the USTR's annual National Trade Estimate on Foreign Trade Barriers.

Addressing these barriers is squarely in the interest of American companies, workers, and farmers, but doing so is also in Brazil's interests. Brazil is a dynamic market that is full of potential for American companies, and Brazilians themselves would benefit from greater openness to U.S. imports, including world-beating

technologies, essential aerospace products, and a level playing field for trade in ethanol, to give just a few examples. Eliminating these trade barriers and erasing instances of discrimination against U.S. firms will advance America's interests as well as Brazil's.

The initiation of a Section 301 investigation thus represents an opportunity to conduct an objective analysis of Brazil's trade policies and practices as well as specific issues relating to digital trade; electronic payment services; intellectual property protection; and other issues. The Chamber provided comments to USTR on some of these barriers in brief form in March and will provide further detail in the Section 301 comment period.

While the U.S. business community supports reinvigorated efforts to secure the extensive mutual benefits the U.S.-Brazil trade relationship could provide, it is already plain that the threat of a 50% tariff is eliciting a "rally around the flag" effect in Brazil in which politicians of different parties are uniting to prepare a vigorous retaliation. Once implemented, these measures may be emulated by other governments, to the great cost of American workers and companies.

The Chamber encourages the USTR to proceed with its Section 301 investigation into Brazil's trade policies and practices, and we look forward to offering comments on behalf of our members. However, preceding this undertaking with a 50% tariff on Brazilian goods would thwart the Section 301 investigation and render its findings moot. The Chamber strongly urges the administration to set aside the threat of a 50% tariff and to focus its energies on a rigorous, evidence-based investigation into Brazil's trade policies and practices under Section 301 and on that basis to engage with the Brazilian government in remediating the legitimate concerns of the U.S. business community.

Sincerely,

A handwritten signature in black ink, appearing to read "John Murphy", with a stylized, flowing script.

John Murphy  
Senior Vice President and  
Head of International  
U.S. Chamber of Commerce