



## Brazil-U.S. Business Council

U.S. Section

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July 29, 2011

The Honorable Timothy E. Skud  
Deputy Assistant Secretary for Tax, Trade, and Tariff Policy  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Mr. Skud:

On behalf of the Brazil-U.S. Business Council membership, I am writing to express our support for the recognition of *Cachaça* as a distinct product from Brazil.

As you know, the Brazilian private sector and the Government of Brazil have long requested the U.S. Government to recognize *Cachaça* as a distinct Brazilian product allowing producers to label it exclusively as “Cachaça” and no longer as “Brazilian Rum.” Although both products have sugarcane as its main raw material, the production process, chemical and sensory characteristics are different. The non-recognition of *Cachaça* and its current labeling as “Brazilian Rum” runs the potential to confuse U.S. consumers, directly affects its producers, and is a restriction the U.S. business community finds unbeneficial to the bilateral trade relationship.

It is our understanding that such recognition will have a negligible economic impact, if any, to the United States while removing a significant trade irritant with Brazil as *Cachaça* is an integral part of Brazilian culture, history, and image abroad. In addition, the Government of Brazil seems ready to reciprocate by recognizing the U.S.-made spirits, Tennessee Whiskey and Bourbon as distinct products of the United States.

It is also our understanding that the recognition process entails the publication of both a proposed rule for public comments and a final rule. In that context, we respectfully urge you to finalize the process for the proposed rule publication in order to conclude the recognition process in a timely manner, preferably before the end of 2011.

We are fully prepared to support you and work with you to secure the recognition of both *Cachaça* as a distinct product from Brazil and Tennessee Whiskey and Bourbon as distinct products from the United States.

Sincerely,

Steven Bipes  
Executive Director