



Brazil-U.S. Business Council

U.S. Section

International Division
U.S. Chamber of Commerce
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February 23, 2012

The Honorable Afonso Bandeira Florence
Minister of Rural Development

The Honorable Ambassador Antonio de Aguiar Patriota
Minister of External Relations

The Honorable Edison Lobão
Minister of Mines and Energy

The Honorable Fernando Damata Pimentel
Minister of Development, Industry and Foreign Trade

The Honorable Gleisi Helena Hoffmann
Presidential Chief of Staff

The Honorable Guido Mantega
Minister of Finance

The Honorable Jorge Alberto Portanova Mendes Ribeiro Filho
Minister of Agriculture, Livestock and Supply

The Honorable Miriam Belchior
Minister of Planning, Budget and Management

Dear Honorable Ministers:

On behalf of the members of the U.S. Section of the Brazil-U.S. Business Council (BUSBC), operating under the administrative aegis of the U.S. Chamber of Commerce in Washington, DC, I am writing in support of your actions to ensure open trade in biofuels between Brazil and the United States.

The U.S. Section of the BUSBC represents approximately 100 of the largest U.S. companies with businesses and investment in Brazil, including in the sugarcane ethanol sector. The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than three million businesses of all



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sizes, sectors, and regions, as well as state and local chambers and industry associations.

Biofuels have a meaningful role to play in meeting our countries' as well as global energy needs and should therefore be traded freely worldwide in compliance with international trade rules. Your decision to keep ethanol on the Brazilian List of Exceptions to the Common External Tariff (CET), with a zero import duty until December 31, 2015, will maintain open markets and will substantially contribute to the creation of a global biofuels market. This action, combined with the elimination of the U.S. "blender's tax credit" and the import tariff on foreign ethanol, also creates a platform through which both countries can cooperate to gain greater access for biofuels in third-country markets as well as to encourage the production of biofuels in new geographies, in particular in Africa and Latin America.

Biofuels cooperation between Brazil and the United States has advanced rapidly since the signing of the 2007 Memorandum of Understanding, including through the establishment of the 2011 Partnership for the Development of Aviation Biofuels. The dual elimination of trade barriers to ethanol in both Brazil and the United States enables our countries to focus their attention on creating a global biofuels market.

I want to thank you for your attention to this matter. The U.S. Section looks forward to continuing to work with you to strengthen the trade and investment relationship between Brazil and the United States.

Respectfully,

Greg Page
Chair
Brazil-U.S. Business Council

C.c.
Frederico Curado
Emilio Garofalo Filho
Tatiana Prazeres
Embaixador Mauro Vieira