

Section 301 Investigation into Brazil's Acts, Policies, and Practices

September 29, 2025

In July 2025, the second Trump Administration initiated its first investigation under [Section 301 of the Trade Act of 1974](#), into Brazil's practices related to digital trade and electronic payment services, tariffs, ethanol market access, intellectual property protection, anti-corruption enforcement, and deforestation. Brazil's practices related to digital trade, cross-border data flows, and electronic payment systems are a key area under investigation. The Office of the U.S. Trade Representative (USTR) alleges that a “variety” of Brazil's actions may undermine the competitiveness of U.S. firms, raise risks or regulatory or compliance costs, decrease revenue and returns on investment, restrict the ability of U.S. firms to engage in business activities, and advantage Brazilian firms. Should USTR determine that Brazil's acts are unjustifiable or burden or restrict U.S. commerce, the Trump Administration may impose additional tariffs on U.S. imports from Brazil.

Under Title III of the Trade Act of 1974 (Sections 301-310, [19 U.S.C. §§2411-2420](#)), often collectively referred to as “Section 301,” Congress grants USTR the authority to investigate certain foreign trade practices and take action (e.g., impose tariffs) if the investigation determines that an act, policy, or practice of a foreign government is “unjustifiable” or “burdens or restricts” U.S. commerce, among other reasons. Congress may investigate the effectiveness and potential impacts of the tariffs, or consider whether to maintain, limit, or expand the scope of the authority.

Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services

USTR [asserted](#) that certain acts, policies, and practices related to digital trade and electronic payment services and particular judicial decisions by Brazil's courts negatively impact U.S. digital platforms. Some U.S. [stakeholders](#) assert that Brazil's legal decisions requiring U.S. companies to remove content hosted or transferred outside of Brazil exceed the jurisdiction of Brazil's judiciary. Pix, a Brazilian electronic payment service, is both operated and regulated by the Central Bank of Brazil, which some [U.S. stakeholders](#) argue disadvantages international competitors. U.S. stakeholders also question the impacts on U.S. companies of other policies, including a network usage fee, proposed platform regulation

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(Bill 2768/2022), and the [General Data Protection Law](#) (LGPD). USTR has noted in several of its annual [National Trade Estimate Reports on Foreign Trade Barriers](#) that the LGPD acts as a trade barrier.

[Brazil's government](#) “strongly rejects” allegations that it engages in practices that disadvantage U.S. companies. A Brazilian [industry group](#) disputed the allegation that Brazil’s practices undermine the competitiveness of U.S. companies and compared some of its practices to the “strategies numerous U.S. states employ to balance technological innovation and free data flows with individual privacy rights.”

Future Action Under Section 301

If the ongoing Section 301 investigation results in an affirmative determination, USTR is authorized to take retaliatory actions, including imposing tariffs on imports from Brazil. Unlike other authorities the executive branch has used to impose tariffs in 2025 (e.g., Section 232 or IEEPA), Section 301 requires USTR to complete certain procedural steps related to consultations and public comments prior to taking action. As a result, USTR may not announce the findings of the investigation and retaliatory actions until 2026. USTR generally has made determinations within 12 months. USTR must make decisions on retaliatory actions within 30 days after a determination.

In July 2025, USTR requested consultations with the Government of Brazil, as required in 19 U.S.C. §2413(a). In September 2025, it held a public hearing, as required in 19 U.S.C. §2414(b)(1)(A). USTR also is required to seek public comment when modifying or terminating retaliatory actions. Although not required in the statute, in some Section 301 investigations USTR has sought public comments at other points in the process, including related to determining exclusions from tariffs.

The United States and Brazil are both members of the World Trade Organization (WTO). If consultations between the two countries do not result in a mutually acceptable agreement, then USTR is required to request formal dispute settlement proceedings under the WTO, as outlined in 19 U.S.C. §2413(a)(2). Brazil has [emphasized its position](#) that the WTO is the appropriate forum for the settlement of disputes between members and that Section 301 is a “unilateral instrument” inconsistent with the rules of the multilateral trading system.

U.S.-Brazil Trade

In 2024, the United States imported \$42.3 billion of goods from [Brazil](#), including \$8.5 billion of fossil fuels and byproducts and \$4.7 billion of iron and steel. Other top imports included nuclear reactors and boilers, machinery and related parts; aircraft; coffee; wood; and wood pulp. Certain imports from Brazil are subject to other tariffs imposed in 2025, including a [40% tariff](#) imposed in August 2025 and a [10% universal tariff](#) imposed in April 2025 under the [International Emergency Economic Powers Act](#) (IEEPA), as well as product-specific tariffs imposed under [Section 232 of the Trade Expansion Act of 1962](#). Brazil may also face potential tariffs resulting from [ongoing Section 232 investigations](#).

Considerations for Congress

As part of its oversight of U.S.-Brazil relations and U.S. trade policy, Congress may consider whether potential retaliatory actions under Section 301, including when combined with existing tariffs imposed under IEEPA or Section 232, are effective in achieving policy goals and what impact they may have on the economy and U.S.-Brazil relations. Some Members have asserted that the Brazil investigation under Section 301 is [politically motivated](#) and [not directed at discussing legitimate trade issues](#).

Observers are closely watching for decisions on [judicial challenges](#) to the President’s ability to impose tariffs under IEEPA, including whether or not such tariffs will be maintained. Some question whether the

President may seek to use retaliatory action under Section 301 to achieve the same policy objective, depending on the outcomes of the IEEPA challenges.

Congress may consider whether to maintain, limit, or expand the scope of Section 301. While debate in the 119th Congress has not focused on Section 301, some Members have introduced legislation to require the notification to and review by Congress of tariffs imposed by the President (e.g., H.R. 2665/S. 1272). Other Members have introduced legislation to expand presidential trade authorities (e.g., H.R. 735). In the past, Congressional efforts related to Section 301 have focused on establishing a process through which imports can be excluded from tariffs (e.g., 117th Cong., §73001 in S. 1260).

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