



Tuesday, March 11, 2025

The Honorable Jameison Greer  
United States Trade Representative  
600 17th Street, NW  
Washington, D.C. 20508

Re: Request for Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm From Non-Reciprocal Trade Arrangements (Docket No. USTR-2025-0001)

Dear Ambassador Greer,

The Renewable Fuels Association (RFA) appreciates the opportunity to submit comments in response to your office's request for information to assist in reviewing and identifying unfair trade practices and non-reciprocal trade arrangements. As the leading trade association representing the U.S. ethanol industry, RFA strongly supports the Trump Administration's commitment to fair and reciprocal trade in ethanol, and its efforts to remove key tariff and non-tariff barriers to trade in order to promote America's leadership in ethanol production and realize export growth for American-made ethanol.

Over the last 15 years, the U.S. ethanol industry has been the consistent global leader in ethanol production and exports. Driven by rising global demand for lower-cost fuels, reduced emissions, and better air quality, the U.S. has been a consistent net exporter of ethanol and has become the dominant ethanol supplier globally. In 2024, U.S. ethanol exports grew 35 percent to an all-time high of 1.9 billion gallons. Canada, the United Kingdom, European Union, India, and Colombia were the top five markets, receiving a combined 75 percent of U.S. ethanol exports. However, U.S.-produced ethanol was shipped to 80 countries on all six inhabited continents.

While the U.S. has remained dominant in ethanol production and exports, we continue to face significant barriers to trade in a number of key markets. Despite long-standing efforts by industry and trade officials to remove certain tariff and non-tariff barriers in Brazil, India, the European Union, Southeast Asia, Mexico, Colombia, and other countries, many impediments have persisted and continue to block or reduce access to key markets. Your assistance, as outlined below, is needed to remove these barriers, or otherwise mitigate their impact by establishing measures to effectuate fair and reciprocal trade.

In addition, your assistance is also needed to ensure U.S. grain-based ethanol is treated accurately and fairly under the International Civil Aviation Organization's Carbon Offsetting Reduction Scheme for International Aviation (ICAO CORSIA), a global scheme designed to offset international aviation CO2 emissions. The ICAO CORSIA program is based on a methodology that assigns

“carbon intensity scores” to sustainable aviation fuels made from different feedstocks and process technologies. Improvements under ICAO CORSIA are needed to ensure U.S. grain ethanol trade potential is not jeopardized as global demand grows for ethanol-to-jet technologies in the aviation sector, particularly in Japan and Europe. Conversely, Brazil is attempting to use the ICAO CORSIA process to gain a significant global advantage at the expense of the U.S.

### **Brazil**

Brazil has historically been a top market for U.S. ethanol, previously accounting for around \$1 billion in exports annually. However, this important market has been essentially cut off as the result of an aggressive and punitive tariff regime imposed by Brazil.

After first imposing a tariff rate quota to limit U.S. ethanol imports, Brazil turned to a flat import tariff on all imports in 2020. Today, Brazil imposes an 18% import tariff imposed on all imports. As a result, U.S. ethanol trade with Brazil has gone from a \$197 million ethanol trade surplus in 2018 to a \$150 million ethanol trade deficit in 2024.

To establish a fair and level playing field for trade, the RFA continues to seek the full removal of Brazil’s tariff on ethanol imports from the U.S. In the alternative, however, the imposition of a reciprocal tariff on U.S. ethanol imports from Brazil would help to restore fairness in the trade of ethanol between our two countries.

In addition, U.S. ethanol exports are currently being impacted by Brazil’s regulations and certification requirements related to its low carbon biofuel program, RenovaBio. Despite Brazilian ethanol imports receiving incentives and benefits under the U.S. Renewable Fuels Standard and state low carbon fuel standards, U.S. ethanol is not being afforded similar access to Brazil’s RenovaBio program. Specifically, U.S. ethanol exporters are being disadvantaged by unfair and non-reciprocal treatment under RenovaBio with respect to producer and feedstock certification and carbon savings recognition.

### **India**

India has long been a key market for U.S. industrial-grade ethanol. In 2024, the U.S. ethanol industry exported 187 million gallons of ethanol to India; nearly 10 percent of all U.S. ethanol exported globally. The market is also poised for continued demand growth. Last year, India announced targets to achieve 20 percent ethanol (E20) inclusion in gasoline nationwide by 2025, with their current blend rate at roughly 12 percent (higher than the current U.S. rate of 10.4 percent). Uncertainty regarding India’s access to supplies of sugar- and grain-based ethanol could complicate the country’s ability to meet its E20 target. India is expected to need increased ethanol imports to meet its E20 goal within the stated timeline.

While domestic production of ethanol is growing in India, the country’s supply of ethanol is expected to fall short of the quantities needed to support E20 nationwide. Meanwhile, India

currently prohibits the direct import of U.S. fuel-grade ethanol. India also prohibits the import of Dried Distillers Grains (DDGS).

To help India achieve its future ambitions of E20 blending nationwide in 2025 and beyond, the U.S. ethanol industry is seeking access for fuel-grade exports and is seeking continued support for U.S. industrial ethanol to enter India duty-free. The U.S. ethanol industry is also seeking support to ensure that ethanol used in SAF and clean cooking applications are classified as industrial ethanol.

### **European Union and United Kingdom**

The EU and U.K. are two of the top five largest markets for U.S. ethanol. Last year, U.S. ethanol exports to the EU and U.K. totaled 441 million gallons, worth nearly \$1 billion. And, exports are expected to grow with the expanding adoption of E10 initiatives across countries including Northern Ireland, Poland, Czech Republic and Germany, presenting a significant market opportunity for U.S. producers.

Currently in the EU, undenatured ethanol has a duty of EUR 19.2/hL (roughly US \$0.79 per gallon) and denatured ethanol faces a duty of EUR 10.2/hL (roughly US \$0.42 per gallon). In the UK, undenatured ethanol has a duty of GBP 16/hL and denatured ethanol faces a duty of GBP 8.5/hL. The product is also subject to Value Added Tax in both the EU and U.K.

In addition to the above duties that limit the competitiveness of U.S. grain-based ethanol, the EU is currently implementing regulations that would prohibit the use of crop-based feedstocks for the production of sustainable aviation and marine fuels under the EU's ReFuel EU Aviation, and the ReFuel EU Maritime legislation. U.S. renewable fuel interests, led by RFA, petitioned the EU court system to participate in a challenge to the aviation and maritime regulations; however, the underlying challenge was recently dismissed by the court. Also, there exists a crop-based biofuels cap across EU Member States that prohibits "first-generation biofuels" from accounting for more than 7 percent of fuels for transportation purposes in each member state.

The U.S. ethanol industry is seeking the support of the U.S. Trade Representative to remove the EU and U.K. duties on denatured and undenatured fuel ethanol, and the removal of any crop-based feedstock prohibitions for renewable fuels blended into on-road transportation fuels, aviation fuels, and marine fuels.

### **Southeast Asia—Vietnam, Indonesia, Philippines**

The Southeast Asia countries of Vietnam, the Philippines, and Indonesia offer promising markets for U.S. ethanol, with a regional export potential of 1.3 billion gallons at an E10 blend rate. Government officials and industry representatives in these countries have been excellent collaborators with the U.S. government and ethanol industry in recent years as we work together to grow the global market for renewable fuels. Indonesia is considering an ethanol usage standard after the successful launch of E5 pilot programs in 2023, but the country's current 30 percent tariff on U.S. ethanol impedes its ability to compete fairly in the market. Meanwhile, Vietnam aims to

expand E5 offerings to E10 in all fuel grades, and the Philippines has approved discretionary E20 blending and gradual adoption is occurring nationwide.

The U.S. ethanol industry believes that bilateral cooperation and support can accelerate progress toward E20 usage nationwide in the Philippines. In addition, the U.S. ethanol industry is seeking USTR's help in working with Vietnam to address the current 10 percent tariff on ethanol (potentially reducing it to match the 5 percent tariff rates levied on imported fossil fuel components). Further, we are seeking continued collaboration with Indonesia's government and industry to address the 30 percent tariff on direct ethanol imports to ensure economic competitiveness under future ethanol blend requirements.

### **Mexico**

In 2024, the U.S. exported only 84 million gallons of ethanol to Mexico, in large part due to the restrictions imposed on ethanol blending in Mexico's most populous cities. However, if blends of E10 were permitted nationwide, the Mexican market would expand significantly to 850-900 million gallons of consumption, worth \$1.9 billion and supporting growth in both domestic ethanol production and trade with the U.S. While the U.S. ethanol industry has worked to encourage Mexico to move forward with a proposed fuel reform and energy package that would permit nationwide E10 blending, the energy package was abruptly tabled and has languished at Mexico's energy regulatory agency.

The U.S. ethanol industry is seeking the support of USTR in encouraging the Mexican government to reinstate efforts to revise its ethanol policy and fuel specifications as part of Mexico's new energy transition law package and permit nationwide E10 blending.

### **Colombia**

Colombia has emerged as a key market for U.S. ethanol exports to Latin America. Over the last several years, Colombia has developed into consistent and reliable export market for the U.S.. Despite being subject to a countervailing duty of \$0.20 per gallon which is scheduled to continue until 2028, exports of ethanol from the U.S. topped 130 million gallons in 2024.

The U.S. ethanol industry is seeking USTR's support in removing the ongoing countervailing duty currently imposed on U.S. ethanol exports to Colombia.

### **Canada**

In addition to the tariff and non-tariff barriers identified above, the U.S. ethanol industry is extremely concerned about the growing trade conflict with Canada and its potential impact with respect to U.S. ethanol's continued access to that market. U.S. ethanol currently enters Canada without any import duty and is a key component for Canada's current and future clean fuel and energy objectives.

Canada is by far the largest export market for U.S. ethanol, with 100 percent of its ethanol imports coming from the United States. For the last 10 years, Canada has been one of the most consistent and reliable markets for U.S. sourced ethanol. Since the implementation of its Clean Fuel Regulations (CFR) in 2022, exports to Canada have set yearly records, topping 674 million gallons in 2024, representing \$1.5 billion in export value.


The U.S. ethanol industry seeks the support of USTR to preserve its ability to access Canada's fuel market duty-free and with limited economic and/or logistical restrictions. Specifically, the industry is seeking USTR's support for measures in Canada to expand higher blend volumes at the provincial level, and ensuring that the CFR remains consistent, fairly implemented, and properly enforced.

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Once again, the RFA greatly appreciates the opportunity to provide information in support your office's efforts to identify, evaluate and report on unfair trade practices and non-reciprocal trade arrangements that contribute to unfair and non-reciprocal trade relationships in key global markets.

As your office continues its work to eliminate or reduce the impact of tariff and non-tariff barriers to trade, and/or otherwise unfair trade agreements, please know that we are available to provide any additional information that may be helpful for the resolution of market barriers and realizing export growth in key markets.

Very truly yours,



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Renewable Fuels Association