



December 1, 2025

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

Re: Docket Nos. USTR-2025-0007: Initiation of Section 301 Investigation: China's Implementation of Commitments under the Phase One Agreement; Notice of Hearing; and Request for Public Comment

Dear Ambassador Greer,

The Renewable Fuels Association (RFA) greatly appreciates the opportunity to submit comments in response to the U.S. Trade Representative's (USTR) Request for Comments on the Section 301 Investigation of China's Implementation of the Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China ("Phase One Agreement").

RFA is the leading trade association for America's ethanol industry. Our mission is to drive growth in American-made renewable fuels and bioproducts for a better future. Founded in 1981, RFA serves as the premier organization for industry leaders and supporters. With over 300 members, we work every day to help America become cleaner, safer, and more economically vibrant.

On behalf of RFA's membership, and the U.S. ethanol industry as a whole, we are extremely grateful to President Trump and his Administration for its steadfast commitment to fair and reciprocal trade with China. We applaud USTR for taking a closer look at China's failure to deliver on its Phase One commitments, which has resulted in a lost market opportunity for U.S. ethanol producers and farmers and caused significant financial losses. RFA provides the following comments in support of the instant Section 301 Investigation.

1. The United States is authorized to initiate an investigation under Section 301 of the Trade Act for China's failure to satisfy purchase commitments under the Phase One Agreement

Section 302(b) of the Trade Act of 1974, as amended (Trade Act), authorizes the Trade Representative to initiate an investigation to determine whether conduct is actionable under Section 301 of the Trade Act. Actionable conduct under Section 301(a) includes, inter alia, that the rights of the United States under any trade agreement are being denied or that an act, policy, or practice of a foreign country violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement.

On December 13, 2019, following months of negotiations, the United States and China reached the historic and enforceable Phase One Agreement. Under the Phase One Agreement, China agreed to make structural changes to correct distortive acts, policies, and practices in the areas of intellectual property, technology transfer, agriculture, and financial services, and included certain issues covered in the Section 301 investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation. Given the persistent and large bilateral U.S. trade deficit with China, the Phase One Agreement also committed China to make substantial additional purchases of U.S. goods and services.

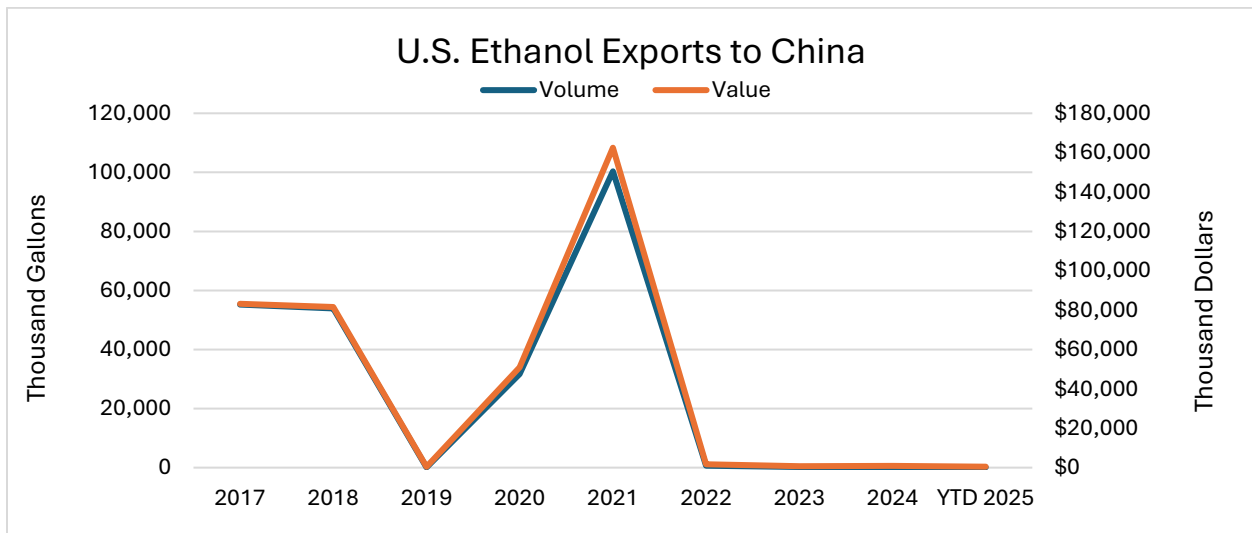
2. China failed to implement its express agricultural product commitments under the Phase One Agreement by failing to make promised and sustained purchases of ethanol and distillers grains

With respect to the purchase commitment of U.S. goods and services under the Phase One Agreement, China agreed to purchase at least \$200 billion more of such goods and services during 2020 and 2021, than was purchased during the 2017 baseline year. Of these U.S. goods and services, the commitment specifically included the purchase of at least \$32 billion more in agricultural goods in 2020 and 2021 than was purchased in 2017. While there are many goods that make up the agricultural products intended for purchase by China, the Phase One agreement specifically referenced ethanol and distillers grains as potential targets for increased agricultural imports. Finally, the agricultural purchase

commitments under the Phase One Agreement further committed China to work to increase its purchase commitment of agricultural goods by an additional \$5 billion annually.

In the end, China purchased only 58 percent of the total U.S. goods and services exports in 2020 and 2021 that it had committed to buy under the Phase One Agreement. In fact, China ultimately failed to buy any of the additional \$200 billion in goods in 2020-21, instead falling \$11.6 billion short of even reaching the baseline level of purchases. Specifically, with respect to ethanol, after the signing of the Phase One Agreement, in 2020, China purchased just 31.7 million gallons of ethanol from the U.S. valued at just under \$51 million. Thereafter, in 2021, China purchased just over 100 million gallons of ethanol from the U.S. valued at \$162 million.

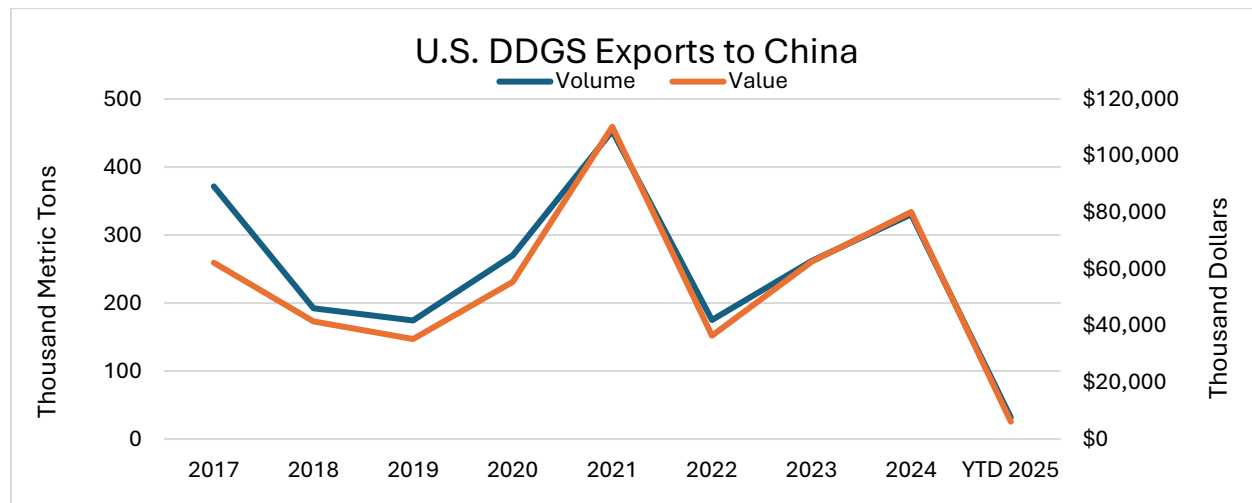
Given a 2017 baseline value for ethanol imports estimated at \$83.5 million under the Phase One Agreement, China’s ethanol purchases for 2020 were well below the baseline level, while total 2020-21 purchases were roughly 30 percent above the baseline; however, total purchases of U.S. ethanol in 2020-21 were far short of the stated intention of the Phase One Agreement and were not reflective of China’s commitment to procure an additional \$32 billion in agricultural products. While 2020-21 ethanol purchases were generally in line with 2017 baseline levels, there were no meaningful increases over the long term, as promised under the Phase One Agreement. Since 2021, U.S. ethanol imports by China have essentially fallen to near zero and flatlined.



As confirmed by the above trade data for 2020 and 2021 (and subsequent years), China has failed to provide U.S. ethanol producers the sustained market access that was initially promised under the Phase One Agreement. While China briefly resumed imports of U.S. ethanol immediately following the agreement, those purchases represented near-baseline trade levels rather than meaningful increases and have since dissipated.

With respect to distillers grains imports, a similar trade pattern occurred following the enactment of the Phase One Agreement. Despite promises of increased purchases of agricultural products, China’s imports of dried distillers grains with solubles (DDGS) in 2020-21 stayed near the 2017 baseline level and did not experience any meaningful increase. In 2020, China imported 270,000 metric tons of DDGS at a value of just over \$55 million; significantly less than the 2017 baseline of \$62 million. And, while the value of China’s DDGS imports increased in 2021 to \$101 million, since then the volumes have remained volatile, falling precipitously in 2022, rising in 2024 and collapsing again in year-to-date 2025.

Once again, as in the case with U.S. ethanol, China’s imports of U.S. distillers grains following the enactment of the Phase One Agreement did not result in the sustained market access that American producers were promised.



3. China’s failure to satisfy purchase commitments under the Phase One Agreement requires reciprocal duties on Chinese agriculture imports

China must be held to account for its failure and refusal to meet the terms of the Phase One Agreement, specifically its express commitments to purchase \$32 billion in

additional agricultural imports, above and beyond the baseline level reflected in 2017. To account for the failed purchases, it is only appropriate that reciprocal duties in the aggregate amount of \$32 billion on any and all Chinese agriculture and agriculture-related exports to the United States.

4. Conclusion

Today, as our nation's farmers and rural communities face serious economic challenges, it is critical that our trading partners live up to their commitments and be held accountable for failing to comply with key terms and provisions negotiated in the process. Moreover, trading partners must act in good faith as we work to negotiate longer-lasting, more resilient trade agreements. It is critical that China work to restore its commitment to agriculture purchases under the Phase One Agreement or otherwise face reciprocal action for its failure and/or refusal to do so.

Once again, we greatly appreciate the opportunity to provide comments on USTR's Section 301 Investigation against China. Please know that we stand in support of President Trump in this effort to hold China accountable for its commitments under the Phase One Agreement. Moreover, we look forward to continuing to work with USTR and the Administration to restore full and fair access for U.S. ethanol and its co-products in international markets, including China and beyond.

Respectfully submitted,



Geoff Cooper
President and CEO