



**Testimony of
Geoff Cooper
President and CEO, Renewable Fuels Association**

**Re: Initiation of Section 301 Investigation: China's Implementation of Commitments under
the Phase One Agreement.**

December 16, 2025

Docket Nos. USTR-2025-0007; USTR-2025-0020

Good morning. My name is Geoff Cooper, and I am President and CEO of the Renewable Fuels Association, the leading trade association for U.S. ethanol producers. I appreciate the opportunity today to voice our support for the Section 301 investigation into China's failure to honor its commitments under the *Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China*, also known as the "Phase One Agreement."

RFA believes a thorough investigation into China's prejudicial actions is justified and necessary, and we commend the U.S. Trade Representative and the entire Trump Administration for bringing much-needed scrutiny to this important issue.

China's failure to fully implement the Phase One Agreement has resulted in lost market opportunities and significant financial losses for U.S. ethanol producers and the farmers who supply grain to our member companies.

On December 13, 2019, following months of negotiations, the United States and China reached the historic and enforceable Phase One Agreement. Under the agreement, China committed to make structural changes to correct distortive acts, policies, and practices in the areas of intellectual property, technology transfer, agriculture, and financial services. The agreement also committed China to make substantial additional purchases of U.S. goods, including agriculture and energy products.

Specific to agriculture, China agreed to purchase an additional \$32 billion in U.S. agricultural products in 2020 and 2021 over the amount purchased in the baseline year of 2017. China also agreed to make changes to distortive policies, such as tariffs, that were blocking U.S. agricultural products from accessing the Chinese market. Ethanol and dried distillers grains (DDGS), which is an animal feed co-product manufactured by ethanol facilities, were both specifically included

in Annex 6.1 of the Agreement as agricultural products that would count toward China's purchase commitment.

Based on the inclusion of ethanol and distillers grains in the Phase One Agreement, U.S. ethanol producers, farmers, and other supply chain participants made investments to expand production capacity and modernize transportation networks. It was our industry's expectation, based upon the agreement, that China would not only increase purchases of ethanol and distillers grains in 2020 and 2021, but also that China would remove distortive trade barriers and provide stable and sustained access to the Chinese market over the long term.

Unfortunately, that didn't happen. China reneged on its commitment to meaningfully increase purchases of ethanol and distillers grains in 2020 and 2021 and entirely failed to address the structural barriers that hindered our industry's long-term access to the market. Instead, China erected *new* barriers that were even more punitive to U.S. ethanol and distillers grains, completely shutting American-made ethanol out of the market over the past four years.

China was once the top export market for U.S. dried distillers grains and one of the largest export markets for U.S. ethanol. In 2016, China imported 198 million gallons of U.S. ethanol valued at \$313 million, making China the third-largest destination for American ethanol exports and representing nearly 20 percent of total exports. The following year, in 2017, China raised its tariff rate on U.S. fuel ethanol from 5 percent to 30 percent and export volumes dropped more than 70 percent to just 55 million gallons.

Then, upon finalization of the Phase One Agreement, China imported just 84 million gallons of fuel ethanol valued at \$130 million in 2020 and 2021 combined—less than half of what the country imported in 2016 and 2017 and far below the industry's expectations based upon the agreement.

Making matters even worse, China raised its tariff on U.S. denatured fuel ethanol imports to 70 percent—14 times higher than the tariff rate enforced in 2016—effectively shutting out American-made ethanol. And since May of 2021, U.S. ethanol exports to China have effectively been zeroed out. So, what was once a 200-million-gallon-per-year market with significant growth potential has now become a shuttered market with no prospects for future opportunity—all because China has abandoned its commitments under the Phase One Agreement.

In closing, we are confident the Section 301 investigation will provide indisputable evidence that China's unfair policies have severely injured U.S. ethanol producers and farmers. Thus, we support USTR and the Trump Administration taking action to ensure U.S. producers are protected against the deleterious effects of China's failed trade policies.

Thank you again for providing the U.S. ethanol industry an opportunity to share our perspective on the Section 301 investigation and the impact of China's unfair policies on American ethanol producers and farmers. I look forward to your questions.