A Rare Moment of Accord on the Ethanol Tariff
By Joel Velasco

It's been yet another remarkable week for the debate on U.S ethanol policy, and yesterday we reached a milestone. In a rare moment of accord, all three of the world's leading ethanol associations – Renewable Fuels Association, Growth Energy and UNICA – now agree on at least one thing: there should be parity with ethanol subsidy and trade policy, meaning the amount of the tax credit and import tariff should be equal.

Of course, this has been our stance all along, and as a taxpayer I think the blender's tax credit (currently $0.45 per gallon) and ethanol tariff (now $0.54 per gallon) should be set at $0. But still, Growth Energy and RFA coming around to our position is notable progress! Note that there are currently two bills calling for parity moving through Congress - H.R.3187 in the House and S.622 and H.R.2359 in the Senate and House, respectively.

For too long, sugarcane ethanol has been nearly unavailable in the United States due to the import tariff. This unfair trade barrier is a tax on clean, affordable renewable fuel and eliminating it will help the U.S. diversify energy supplies, save drivers money at the pump and protect the environment.

The following are on-the-record statements published yesterday from Growth Energy and the Renewable Fuels Association about the import tariff. We've also included a similar statement from RFA's Bob Dinneen made two years prior.

GROWTH ENERGY

"[T]he tariff [on imported ethanol] ought to be tied to the value of the tax credit, and if the tax credit is slowly phased out, then the tariff can be as well."

- Chris Thorne, Director of Public Affairs
Comment posted to New York Times Green Inc. blog on July 22, 2010

RENEWABLE FUELS ASSOCIATION

"[Matt] Hartwig [RFA Director of Communications] said RFA would not oppose the import tariff being put at parity with the blenders' tax credit, which the import tariff is essentially there to offset."

- As reported by Brad Addington of Oil Price Information Service on July 22, 2010

"I actually do agree with the fact that the tariff should be lined up with the tax incentive. All the secondary tariff is intended to do is to offset the tax benefit that refiners get when they purchase ethanol, whether that product is imported or domestic. And they should match up and we have supported that."

- Bob Dinneen, President & CEO

Remarks at the 20/20 Vision National Summit on Energy Security on July 22, 2008

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