



## **Obama Visits Corn Ethanol Plant While Progressive Democrats Call for Import Tariff Phase Down**

**By Joel Velasco**

President Obama today visited a corn ethanol plant in Macon, Missouri as part of his "White House to Main Street" tour through the Midwest. Policy insiders expecting to learn where the President really stands on continuing the 30-year history of subsidies and trade protection for ethanol were disappointed, because he did not articulate a position during his remarks to assembled workers and guests.

To commemorate the occasion, the Center for American Progress – a very influential voice within Democratic circles – laid out its vision for U.S. ethanol policy in a blog post entitled "Taking Biofuels to the Next Level." Here's what Jake Caldwell, director of policy for agriculture, trade and energy at the think tank, had to say about the tariff on imported ethanol:

**"Import tariff phase down.** The United States should gradually begin the phase down of the current 54 cent-per-gallon tariff on imported biofuels as Congress and RFS II [the renewable fuels standard] provide a mandate for the biofuels industry to reach 36 billion gallons by 2022. All countries must take reciprocal action to remove trade restrictions on sustainable biofuels."

As readers of this blog know, Brazil took an important first step to build an open and global biofuels marketplace earlier this month by eliminating its tariff on imported ethanol through the end of 2011. UNICA is asking the Brazilian government to make the tariff elimination permanent if Congress will do the same and drop the U.S. tax on imported ethanol.

While the President left ambiguous his stance on the subsidies and trade protection for ethanol, his remarks in Missouri did look forward to the day when domestic ethanol producers can "effectively compete with biofuels from any place in the world using brand-new technologies." (NOTE: This phrase was not in the President's prepared remarks.)

I'm looking forward to that day as well!

My mantra continues to be that consumers win when businesses have to compete in an open market. That's because competition produces higher quality products at lower costs. The same principle holds true for the renewable fuels market where competition will create a race to the future and generate better alternatives for consumers.

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