Will the Real Growth Energy Please Stand Up?
By Joel Velasco

Last week, Growth Energy surprised everyone by announcing their "Fueling Freedom" plan – a polar shift in strategy that calls for a competitive open market for ethanol, greater consumer choice and a phasing out of government subsidies. The announcement seemed to fly in the face of their past rhetoric, and as a result drove another rift between Growth Energy and groups like the Renewable Fuels Association. It also echoes what we've been saying all year on this very blog - that consumers win when businesses have to compete in an open market, because competition produces higher quality products at lower costs.

When asked whether the phase out would also apply to the 54-cent per gallon tariff on imported ethanol, POET CEO and Growth Energy Co-Chairman Jeff Broin said the following in a video (see below) posted July 15, 2010:

"Well certainly if there's an open market, a tariff becomes less important because we would have access to the entire market. Our prices are very competitive with gasoline, and therefore some imports would not make much difference. However, we would not want to see that tariff go below a tariff that another country would have. As an example, if Brazil has a tariff, I think the U.S. should have a tariff that's the same."

For the record, Brazil unilaterally eliminated its tariff on imported ethanol in April, 2010. UNICA has made it clear to the Brazilian government that the association supports making the tariff reduction permanent, if the U.S. also eliminates its tariff on imported ethanol.

This week, however, it´s back to business as usual from the folks at Growth Energy. In testimony this morning to the Senate Agriculture Committee, Growth Energy Co-Chairman Wesley Clark pulled a 180 of his own, backtracking completely on the topic of the tariff:

"As far as the tariff on imported ethanol, we're strongly in favor of keeping that tariff in place. It's very important to do so. There is absolutely no reason for the United States to trade dependence on foreign oil, to, to, in place of dependence on foreign produced ethanol. This is about what we can do for our own country and our own economy, and we should be proud of it, we shouldn't be embarrassed by it or apologetic about it. So we're in favor of keeping that tariff in place, Senator."

I´ve spoken many times before about how Growth Energy´s claims that the U.S. could become dependent on foreign ethanol are overstated and designed to play on protectionist fears. But what I find most interesting today is that the two chairmen of Growth Energy seem to have completely different positions on the tariff. Which is it? Does Growth Energy support market competition and consumer choice or not?

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Joel Velasco is UNICA`s Chief Representative – North America.