

House Energy & Commerce Committee


Ranking Member

Republicans

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Repealing the Ethanol Tariff

- Increased use of ethanol, regardless of its origin, would further displace gasoline consumption. Inexpensive imported ethanol would help mitigate any fuel price increases from the renewable fuels standard.
- We need ethanol in our gasoline as a required oxygenate under the Clean Air Act. Unfortunately for consumers, restricting supplies adds to the price at the pump. For this reason, Congress should end the domestic restrictions on imports, and treat foreign ethanol no differently than the domestic variety.
- This tariff limits U.S. ethanol imports and creates a higher domestic price than would otherwise result from a more open market. Consumers would benefit if the market decides how much ethanol to use and where it should come from.
- Eliminating the tariff would mean lower gasoline prices for American consumers, because refineries would pay less overall for the ethanol they blend into gas.
- If ethanol is to succeed as a motor fuel, it will have to be the cheapest ethanol globally available. Congress should repeal the laws that keep foreign ethanol out of the United States and allow free trade in this alternative fuel.
- We can continue to encourage domestic cellulosic and advanced biofuels to take the place of food-based ethanol here at home. Until those fuels are commercially-available, it makes sense to increase our supply of ethanol needed in consumers' tanks, especially from our friends, like Brazil.
- The U.S. ethanol industry has grown significantly in the past several years, and will likely continue to grow regardless of the level of low-cost ethanol imports.