

July 29, 2008

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Feinstein:

We appreciate your leadership with the introduction of the Imported Ethanol Parity Act (“S 3080”) and look forward to working with you to make this bill become law. This legislation reduces a trade barrier on clean and climate friendly ethanol imports that could save American consumers money on a product that is mandated and at a time of record high gas prices.

In light of the tariff’s recent extension, this legislation provides a means to reduce or eliminate a trade barrier on ethanol altogether. For more than 30 years, the United States has subsidized and protected an increasingly mature ethanol industry and has limited access to a low carbon fuel alternative for millions of Americans.

Your measure paves the way to introduce ethanol produced from highly productive non-feedgrain inputs, thereby easing domestic feed and food price inflation concerns. Internationally produced ethanol is often derived from sugar cane, which can produce more than twice as much ethanol than domestic sources from the same acre of land. By reducing or eliminating the tax on imported ethanol, this legislation could ease the economic strain that is heavily impacting the agriculture, food and beverage industries. At a time when animal agriculture is facing pressures on many fronts, this slight modification could produce positive relief on record high corn prices.

The reduction or elimination of the tariff would provide the means to introduce cleaner, greener ethanol to American consumers. Imported petroleum does not pay a tariff, yet clean, renewable ethanol from our own hemisphere is assessed a 54 cent-per-gallon tariff. At a time when our own government’s Federal Reserve Chairman is saying food inflation and fuel costs are contributing to our dangerous economic condition, working toward eliminating this barrier to trade is more needed than ever.

Lastly, blenders of gasoline are required by federal and state statutes to incorporate a percentage of ethanol to meet legal obligations. However, the tariff taxes blenders and thereby keeps consumers from accessing an affordable energy source for their businesses and families. Your legislation would help ease the economic strain that millions of Americans are facing because of this tariff. While our industry would like to see the elimination of the ethanol tariff altogether, this legislation is a crucial step in the right direction.

Senator, we thank you for introducing this measure to restore balance in the trade of ethanol and to reduce or eliminate a trade barrier for a product that is mandated. We look forward to working with you and your colleagues to see that this measure becomes law in the very near future.

Sincerely,

American Meat Institute  
California Dairies, Inc.  
California Poultry Federation  
International Dairy Foods Association  
National Cattlemen's Beef Association  
National Chicken Council  
National Meat Association  
National Milk Producers Federation  
National Pork Producer Council  
National Turkey Federation  
United Egg Producers  
United Egg Association