



June 12, 2017

**VIA ONLINE SUBMISSION**

The Honorable Robert Lighthizer  
United States Trade Representative  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, DC

**Re: NAFTA Negotiations – Docket No. 2017-10603**

Dear Ambassador Lighthizer,

The Renewable Fuels Association (RFA), Growth Energy, and the US Grains Council (USGC) are pleased to submit joint written comments in response to the request for comment on negotiating objectives regarding modernization of the North American Free Trade Agreement with Canada and Mexico.

Renewable Fuels Association is a trade association, comprised of 181 member-companies, representing the United States (U.S.) ethanol industry. The RFA works to advance the development, production, and use of ethanol as a renewable fuel.

Growth Energy is a trade association of ethanol producers in the U.S., comprised of 86 members and 96 affiliated companies who serve the U.S. and Canada's need for renewable fuel.

The USGC works in more than fifty countries and the European Union to develop new markets for U.S. barley, corn, grain sorghum, and related products, including ethanol and distiller's dried grains with solubles (DDGS). The Council has 175 members, made up of American ethanol and DDGS producer organizations and agribusinesses.

Collectively, our organizations are the ethanol producers and supporters of the United States, and we appreciate your consideration of our views as you look to modernize NAFTA to meet the market demands of the 21<sup>st</sup> century.

Since NAFTA went into effect in 1994, the U.S. ethanol industry has grown dramatically, expanding production more than eleven-fold from a modest 1.2 billion gallons in 1994. Today, the U.S. is now the most reliable and affordable source for clean-burning, high-octane ethanol in the world. Our industry supports more than 340,000 jobs and promotes the growth of rural

America and the farm economy through the use of more than 5 billion bushels of U.S. corn to make ethanol and associated coproducts. In 2016, our industry produced more than 15 billion gallons of ethanol and 47 million tons of distillers grains, contributing more than \$30 billion to our nation's economy. In addition, we exported over 1.2 billion gallons of ethanol at a value of more than \$2 billion and 11.5 million tons of DDGS.



Today, Canada and Mexico are two of the U.S. ethanol industry's strongest trading partners, with Canada emerging as the destination for nearly 25 percent of all U.S. ethanol exports, and Mexico recently emerging as the top destination for U.S. DDGS exports. Our industry's successful entry and trade into the Canadian and Mexican markets are a direct result of NAFTA's elimination of tariffs on goods such as ethanol and distillers grains.

As you commence your negotiations with Canada and Mexico to modernize the agreement, we ask that you maintain the current policy of zero tariffs on ethanol amongst the three countries. Because the use of corn to make ethanol in the U.S. stabilizes international agricultural markets and benefits farmers throughout North America, only by leaving these markets free of trade-distorting tariffs can our industry continue to grow and flourish.

We would also encourage you to work to prevent the introduction of any potential technical barriers to trade. Currently, while the transportation fuel markets and ethanol blend dynamics differ in Canada, Mexico, and even within the U.S., there appear to be few, if any, true barriers to trade. We would not want any such barriers to be introduced in the future, as we would like to keep these fuel markets as open and as workable as possible for our U.S. producers.

The export market continues to be critical for our industry and Canada and Mexico have been strong partners in the expanded use of ethanol and renewable fuel. We appreciate your consideration of our views and look forward to actively participating in the upcoming discussions.

Respectfully submitted,



Emily Skor  
CEO  
Growth Energy

Bob Dinneen  
CEO  
Renewable Fuels Association



Tom Sleight  
CEO  
U.S. Grains Council