March 24, 2025

The Honorable Jamieson Greer
United States Trade Representative
600 17th Street NW
Washington, DC 20508
Docket ID: USTR-2025-0002

Dear Ambassador Greer:

Thank you for the opportunity to provide comments on the proposed action in the Section 301 investigation of China's targeting of the maritime, logistics, and shipbuilding sectors for dominance.

Growth Energy is the nation's largest association of ethanol producers, representing 97 U.S. plants that each year produce 9.5 billion gallons of low-carbon, renewable fuel; 130 businesses associated with the production process; and tens of thousands of ethanol supporters around the country. Growth Energy represents the leading exporters in the ethanol industry, helping to support nearly two billion gallons of ethanol exports to over 60 countries around the world.

In 2024, U.S. ethanol exports set a record of nearly two billion gallons valued at $4.3 billion. Additionally, U.S. exports of distillers grains, a valuable co-product of the ethanol production process, reached over 12 million metric tons valued at $3.2 billion in the same period. The United States supplies over half of all global ethanol exports. Ensuring ease of trade and price competitiveness will be vital to ensure 2025 continues our trend of growing exports and maintaining strong trade surpluses.

We have concerns related to the proposed actions as part of the Section 301 investigation that would be practicable or effective to end China's acts, policies, and practices related to the maritime, logistics, and shipbuilding sectors. Specifically, we believe the U.S. Trade Representative's (USTR) proposed actions (1) do not understand the burden it would place on U.S. commerce, (2) do not appropriately address the trade covered by the responsive actions, and (3) would institute crippling fees and restrictions.

U.S. ethanol relies on our economic advantage compared to competitor countries and complementary products to spur foreign demand. Being able to supply a superior product at a lower cost ensures we remain competitive, particularly considering competition from Brazil and other fuel additives. The cost of transporting U.S. ethanol, like many other products, depends on a host of factors that are often outside of the industry's control and rest on port operations, shippers, availability of vessels, routes, and time, among others.

Rather than addressing the issues raised in this Section 301 investigation, the proposed actions will result in new costs being borne by the U.S. consumer and U.S. industry. While we recognize there is a need to address China's adverse actions and reduce our overall reliance on China when it comes to export shipping, the proposed actions by USTR do not directly address these issues and will instead have dire consequences on U.S. exports.

The noted fees and costs of compliance with the proposed requirements to use U.S.-flagged and operated vessels will be significant and result in higher, less-competitive prices and decreased demand for U.S. exports while also increasing the price of imported inputs for ethanol's production. This will upend domestic supply chains while increasing port consolidation, port congestion, costs, other compliance requirements, and clearance time by customs that will add to the burden and cost of producing and exporting U.S. ethanol. Some of our members are already experiencing reluctance from shippers to enter future transactions without shouldering the risk associated with this proposal. At the same time, other countries are taking actions to ease the cost of trade and expand their ethanol exports—most notably, Brazil is currently seeking a trade agreement with the European Union (EU) that would give their ethanol industry greater, easier access to that market.

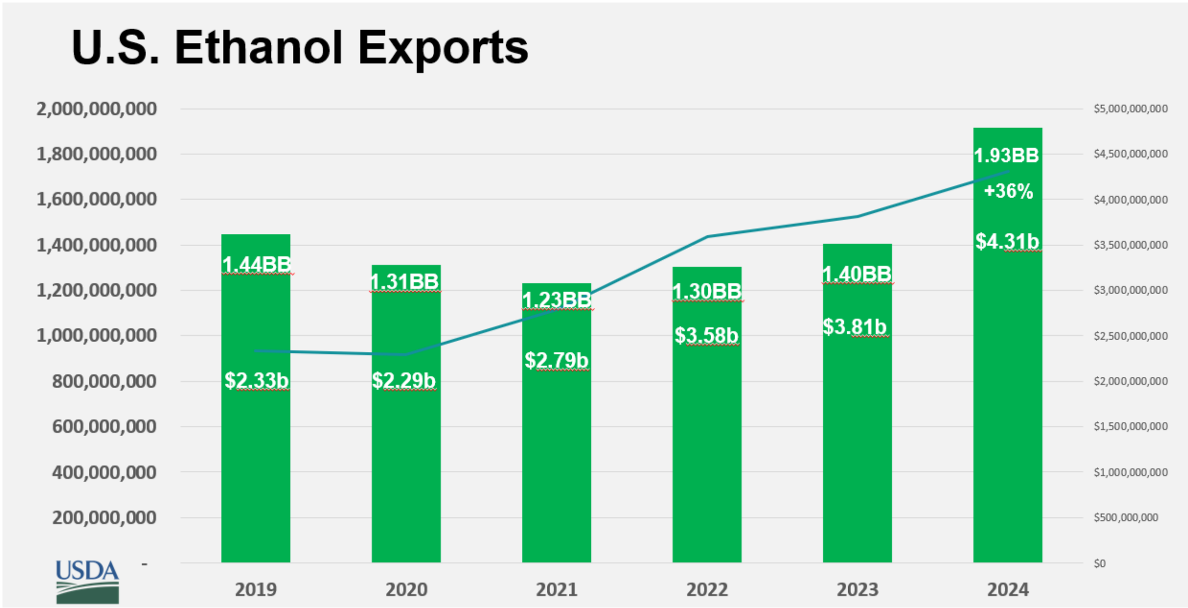
Congress recognized that a strong domestic maritime industry is important, which is why it enacted the Jones Act requiring that merchandise being transported between U.S. points must be shipped aboard vessels that are U.S.-built, U.S.-citizen owned, and U.S. operated. Complying with these requirements is not always simple and can present challenges even when it comes to shipping products domestically. USTR's proposed actions would expand the same requirements to use U.S.-flagged, U.S.-built, and U.S.-operated vessels for international maritime transport, which would present even greater challenges to compliance and ultimately hinder international trade.

As a result of the potential harm to the U.S. ethanol industry, we ask for you to remove the proposed fees and restrictions on services. Considering that American renewable fuels are currently facing potential retaliatory tariffs that could threaten our industry, these new requirements would cause a significant upheaval that American producers can ill afford.

Thank you for your consideration of these comments. Growth Energy looks forward to working further with USTR to grow our industry's trade surplus by expanding exports of U.S. ethanol.

Sincerely,

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy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800,000,000
600,000,000
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1.30BB
$3.58b
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+36%
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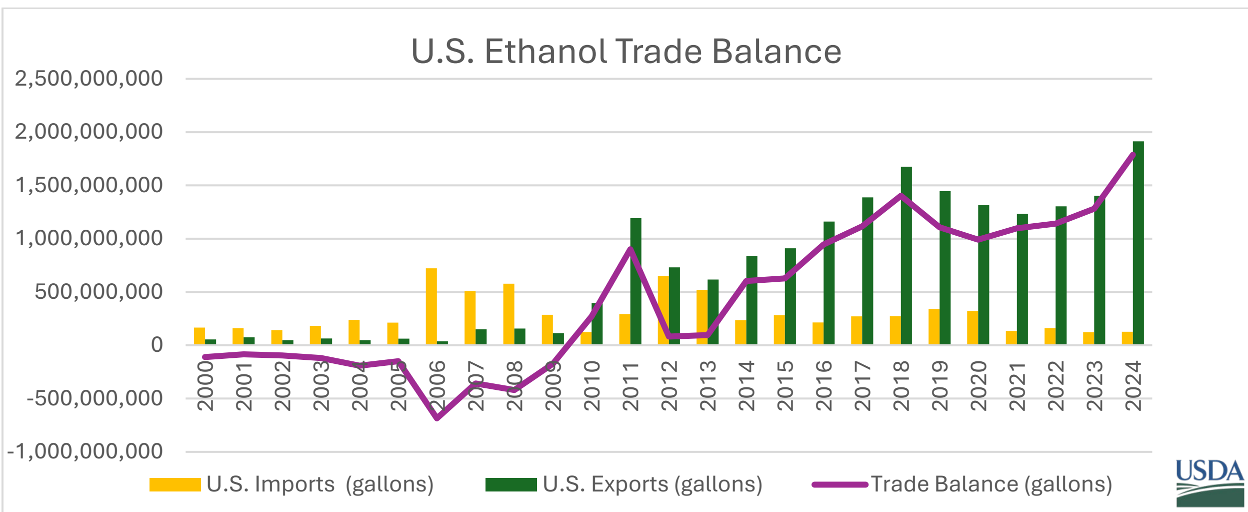
2019
2020
2021
2022
2023
2024
USDA


U.S. Ethanol Trade Balance
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1,500,000,000
1,000,000,000
500,000,000
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-1,000,000,000
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
U.S. Imports (gallons)
U.S. Exports (gallons)
Trade Balance (gallons)
USDA