

Ethanol Tariff

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Sen. Chuck Grassley of Iowa today responded to comments from two senators that a tariff on ethanol imports likely violates international trade rules, as Brazil argues in opposition to U.S. ethanol policy. Grassley comment:

“This isn’t a question for debate. The highest authority on U.S. trade policy said more than two years ago that the U.S. ethanol tariff is clearly permitted under World Trade Organization rules. Besides, the United States already provides generous duty-free access to ethanol from Brazil and other countries imported under the Caribbean Basin Initiative, but the CBI cap has never once been filled. In fact, as of December 20, Brazil and other countries filled the cap for 2010 less than 1 percent.”

A letter from then-United States Trade Representative Susan Schwab to Grassley concluding that the U.S. ethanol tariff is WTO-compliant [is available here](#) . A letter from Grassley to Schwab [is available here](#) .