United States Senate
WASHINGTON, DC 20510

August 24, 2020

<u>VIA ELECTRONIC TRANSMISSION</u>

The Honorable Todd C. Chapman
U.S. Ambassador to Brazil
St. de Embaixadas Sul 801 – Asa Sul
Brasilia – DF, 70297-400, Brazil

Dear Ambassador Chapman:

You recently received a letter from Congressman Elliot Engel, the Chairman of the House Foreign Affairs Committee, and from Congressman Albio Sires, the Chairman of the House Subcommittee on the Western Hemisphere, Civilian Security, and Trade. These Democratic Chairmen claim you are pushing Brazil to remove its barriers to U.S. ethanol for inappropriate and allegedly illegal partisan reasons. Perhaps the letter's writers see no reason to advocate for U.S. ethanol other than politics. In contrast, we see a lot.

It's perfectly obvious that the U.S. government should advocate for American ethanol. As then-Senator Obama told our Iowa constituents in 2008, ethanol "helps our national security, because right now we're sending billions of dollars to some of the most hostile nations on Earth." That wasn't partisan because it was right. Since 2011, U.S. ethanol has contributed more by volume to our fuel supply than all of the gasoline made from oil imported from OPEC countries. Ethanol is also good for our economy. Despite all the challenges facing the ethanol industry in recent years, ethanol production in 2019 supported 68,600 direct jobs across the country, $43 billion to the gross domestic product, and $23 billion in household income. Importantly, many of the ethanol industry's benefits flow to rural communities. These are communities that feed our country but don't receive the appropriate level of attention from the government. Ethanol is also good for the environment. Not only is it renewable, but as a USDA summary of the best science available released last April noted, greenhouse gas emissions from corn-based ethanol are about 39 percent lower than gasoline.

Moreover, it's not exactly a surprise that American government officials are seeking to remove Brazil's barriers to ethanol. The Trump administration has consistently stated that it won't let up on trying to take down these barriers. The U.S. Trade Representative's 2018, 2019, and 2020 National Trade Estimates clearly stated that the Administration was going to press Brazil on this matter – as it should since there was bipartisan congressional support for doing so. Specifically, in 2017, we and other senators sent a letter to the U.S. Trade Representative, Ambassador Lighthizer, asking him to take on Brazil's barriers. We have enclosed a copy of that letter, which you may wish to provide in whatever response you decide to offer the misguided House chairmen (Engels and Sires).

To be frank, the only thing partisan about ethanol that we see are the arguments underlying Chairmen Engel and Sires's letter. Essentially, they are saying President Trump and officials like yourself should not fight for America's ethanol industry because it's an election year – and a President who delivers on his promises is bad for them. (As the media recently captured, Chairman Engel may be quite candid that partisan motives govern his actions: "if I didn't have a primary, I wouldn't care."[1] But that's his problem.) Good policy that improves American lives doesn't become inappropriate just because it might make it harder for one party to win elections.

In short, the Trump administration is absolutely right in trying to remove barriers to U.S. ethanol. The fact that President Trump is persistent and aggressive in trying to deliver on his promises to make life better for the American people isn't playing politics; trying to stop it is. As farmers, workers, and businesses across our country push forward with recovery from the pandemic, we're glad they have a steadfast partner like this Administration. There's simply no reason (and no time) not to press for increased opportunities for U.S. ethanol. Keep up the good work!

Sincerely,

Charles E. Grassley
United States Senator

Joni K. Ernst
United States Senator

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[1] https://www.cnn.com/2020/06/03/politics/eliot-engel-hot-mic-primary-comment/index.html