

110TH CONGRESS  
2D SESSION

# H. R. 6324

To facilitate the importation of ethanol.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 2008

Mr. UDALL of Colorado (for himself and Mr. PERLMUTTER) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To facilitate the importation of ethanol.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Imported Ethanol Fa-  
5 cilitation Act”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) The United States has levied a tariff on im-  
9 ported ethanol equal to the excise tax credit for  
10 blending ethanol in order to preclude foreign pro-  
11 ducers from benefitting from that credit.

1           (2) However, the Food, Conservation, and En-  
2           ergy Act of 2008 will decrease the excise tax credit  
3           for blending ethanol from \$0.51 to \$0.45 per gallon,  
4           but extend the \$0.54 per gallon temporary duty on  
5           imported ethanol.

6           (3) The result of these changes will be to in-  
7           crease the competitive disadvantage of ethanol im-  
8           ports in the United States marketplace and trans-  
9           form a tariff designed to offset a domestic subsidy  
10          into a real import barrier.

11          (4) Erecting such an import barrier will tend to  
12          reduce the amount of ethanol that will be brought  
13          into the United States market from foreign pro-  
14          ducers, and thus will tend to increase the price of  
15          fuel for American consumers, while increased eth-  
16          anol imports could possibly have the opposite result.

17          (5) Erecting such an import barrier also can  
18          impede development of a global biofuels marketplace  
19          that would permit mutually beneficial trade between  
20          producing regions, including the United States, that  
21          would assist in stabilizing both fuel and food prices.

22          (b) PURPOSE.—The purpose of this Act is to ensure  
23          that the tariff on ethanol does not exceed the tax credit  
24          applicable to blenders of ethanol, to avoid erecting a new  
25          trade barrier to imports of ethanol while assuring that for-

1 eign blenders will not benefit from the tax credit, and to  
2 require a study of potential effects of further reduction  
3 in or elimination of the duty on ethanol.

4 **SEC. 3. ETHANOL TAX PARITY.**

5 (a) IN GENERAL.—The President shall—

6 (1) reduce the temporary duty imposed on eth-  
7 anol under heading 9901.00.50 of the Harmonized  
8 Tariff Schedule of the United States by an amount  
9 equal to the reduction in any Federal income or ex-  
10 cise tax credit under section 40(h), 6426(b), or  
11 6427(e)(1) of the Internal Revenue Code of 1986,  
12 that occurs on or after January 1, 2009; and

13 (2) take any other action necessary to ensure  
14 that the temporary duty imposed on ethanol under  
15 such heading 9901.00.50 does not exceed any Fed-  
16 eral income or excise tax credit applicable to ethanol  
17 under the Internal Revenue Code of 1986.

18 (b) EFFECTIVE DATE.—Any action by the President  
19 under paragraph (1) or (2) of subsection (a) shall take  
20 effect as of the same day as the corresponding reduction  
21 or other change in the Federal income or excise tax credit  
22 under section 40(h), 6426(b), or 6427(e)(1), or other pro-  
23 vision, of the Internal Revenue Code of 1986.

1 **SEC. 4. STUDY OF POTENTIAL EFFECTS OF INCREASED**  
2 **ETHANOL IMPORTS.**

3 No later than 90 days after the date of the enactment  
4 of this Act, the Secretary of Energy and the Secretary  
5 of Commerce shall submit to the Congress a report regard-  
6 ing the effects of the further reduction or elimination of  
7 the duty on ethanol on—

8 (1) fuel supplies and fuel prices in the United  
9 States; and

10 (2) domestic production of ethanol.

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