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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber for Sen. Grassley, 202/224-6522
Re: U.S.-Brazil cooperation on biofuels
Da: Friday, March 9, 2007

Sen. Chuck Grassley, ranking member of the Committee on Finance, made the following comment on today's U.S.-Brazil memorandum of understanding to advance cooperation on biofuels.

"I'm glad the accord doesn't explicitly call for the joint construction of a pilot ethanol plant, or plants, in the Caribbean by the United States and Brazil. Earlier reports had indicated that the United States was considering doing just that. I wrote to President Bush last week expressing my strong concerns that such a proposal could result in U.S. tax dollars subsidizing the production of ethanol that could enter our market and compete directly with U.S.-produced ethanol. I've seen ethanol provide a great boost to Iowa's rural communities. It would have been counter-productive to undercut that progress.

"Still, the memorandum of understanding is broadly written. I'll continue to monitor developments resulting from this accord closely to ensure that it doesn't lead to the use of U.S. tax dollars in a way that harms the U.S. ethanol industry.

"President Bush's record on ethanol is better than that of any other President, and I want to keep working with him to keep that record strong and growing. I appreciate his efforts to encourage the consumption of ethanol in the United States and in other countries."