May 18th, 2018

Ministry of Mines and Energy
Attn: Comments on the, "Proposal of Annual Compulsory Emission Reduction Goals in the Sale of Fuels"

We, the undersigned organizations representing the U.S. ethanol industry, jointly write to you to voice our desire for a fair, collaborative, and scientifically sound RenovaBio policy design and implementation. The United States and Brazil have built a strong and cooperative trade relationship, specifically as it relates to biofuels and we applaud your decision to lead the way globally in utilizing renewable fuels to reduce greenhouse gas emissions, promote cleaner air, and reduce fuel costs for consumers. However, given that biofuels policies are currently being implemented worldwide to disguise domestic protectionism of local biofuels industries, we felt it necessary to provide our official comments as the new regulatory framework is built for RenovaBio over the next two years.

As the two largest democracies and economies in the Western Hemisphere, Brazil and the U.S. share one of the world's most important trade and economic relationships. Over the last decade Brazil and the U.S. have experienced a significant strengthening of our economic and trade relationship, and today, Brazil is the world's ninth largest economy and the eighth largest goods trading partner with the U.S., and in turn the U.S. is the second largest trading partner for Brazil. One of the key areas of economic trade and cooperation between the U.S. and Brazil has been in the area of biofuels, specifically ethanol. As the world's two largest ethanol producing and consuming countries, we have long shared a cooperative and complementary relationship with respect to that biofuel, particularly as it relates to ethanol trade, commerce, production and use. Since the early days of the U.S. ethanol industry, our country has relied on imports from Brazil to fill or satisfy any production shortfalls we experienced and we continue to do so today.

In addition, since 2011, the U.S. has become a reliable supplier of ethanol to Brazil when its ethanol industry experiences production shortfalls due to challenging growing and crush seasons, or has chosen to produce sugar instead of ethanol due to more attractive world sugar prices. Together, our two nations have worked hard to develop ethanol into a true global commodity and to promote its production, use and trade around the world. Despite the imposition of the recent tariff rate quota for ethanol by Brazil, we still see the potential for free trade and open borders for ethanol between our two nations moving forward. The RenovaBio policy has the opportunity to serve as the blueprint for other nations as they seek to employ biofuels policies that are based in science and economically sound.

The RenovaBio certification and auditing process that will be utilized to validate Greenhouse Gas reductions should be implemented in a way that does not discriminate against

specific ethanol refining processes, feedstocks or production location and every effort should be made to ensure this process does not create a substantial cost burden on those seeking to sell ethanol in the Brazilian market. In order for RenovaBio to serve as the gold standard of biofuels policies, we feel that it is essential that you utilize the most current and relevant data when determining the life-cycle carbon intensity for various renewable fuels. Over the past decade, remarkable advances have been made in the quality, reliability, and robustness of lifecycle analysis tools and data sets used to estimate carbon intensity.

We also believe that the RenovaBio framework should include recognition of carbon capture and sequestration as allowed by ISCC certification, proper crediting of dried distillers grains and other co-products of the corn ethanol process (e.g., corn distillers oil), and the potential for assigning credits for conservation tillage and other efficient farming practices. In addition to factors that will be utilized to calculate Greenhouse Gas emissions reductions, the carbon trading/pricing mechanism envisioned by the policy's authors should also be implemented in a transparent fashion that will apply equally and equitably to all ethanol, regardless of source that enters Brazilian commerce.

Finally, the current tariff-rate quota system implemented by Brazil in 2017 is incompatible with the goals of RenovaBio. This barrier to trade should be repealed at the earliest possible date. CAMEX officials have noted on a number of occasions that the TRQ would last a maximum of 24 months and it is critical that it be abolished prior to the implementation of RenovaBio.

We understand your desire to set an example for environmental preservation and we already acknowledge the influence that Brazil has both regionally and globally as a leader in biofuels use. As such, we would like to continue to work with you moving forward to ensure that RenovaBio is a fair and accurate policy that other nations will seek to emulate in the years to come. Our initial review of the lifecycle calculator used for RenovaBio indicates that it is technically sound and provides fair carbon intensity scores. While we would still like to further explore the specific components of the calculated score, we are appreciative of your diligence in crafting what appears to be a robust and accurate calculator. We look forward to continuing to collaborate with you on this process and we thank you for your consideration of our comments.

Respectfully submitted,

Emily Skor	Tom Sleight	Bob Dineen
CEO, Growth Energy	CEO, U.S. Grains Council	CEO, Renewable Fuels Association