

## Fix ethanol mess

### It's time to cut quotas, drop tariff on imports

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All it takes is a trip to the supermarket or a drive by any gas station to see that something has gone terribly wrong with America's fuel policy. The decision by President Bush and Congress to force oil companies to mix steadily increasing amounts of corn-derived ethanol into their gasoline has created a multifront nightmare.

The policy has resulted in the diversion of a staggering one-third of this year's corn crop into fuel, with the heavy demand triggering a doubling of corn's price. Since corn is practically the only food fed to livestock and is central to so many processed foods, the giant increase in its cost has led to the worst food inflation in decades.

This wretched unexpected consequence of our corn ethanol policy has unfolded even as the main rationales for that policy have fallen apart. The evidence that its use can reduce global warming looks shakier by the day. And increasing our reliance on ethanol has obviously not helped curb demand for oil and kept its price stable.

It's time our leaders change course – and we must not wait until a new president takes office in six months.

For starters, President Bush should order the Environmental Protection Agency to heed Texas Gov. Rick Perry's request for an emergency waiver that would cut in half the federal requirement that 9 billion gallons of ethanol be used this year, and suspend the 10.5 billion mandate for 2009.

For a second step, Congress should immediately scrap a law that basically forces all ethanol to be derived from U.S. corn: the 54-cent-per-gallon tariff on ethanol imported from Brazil. Because it is derived from plentiful, low-in-demand sugar cane, this ethanol is far cheaper than the U.S. version. It also burns more cleanly and requires much less energy to produce than corn ethanol, making it far better on environmental grounds.

This is a biofuel that actually makes sense. It's not enough for the tariff to be reduced, as California Sen. Dianne Feinstein has proposed. It should be scrapped entirely – and if wealthy farm interests object, tough luck.