

**Warning: Biofuels can be part of the solution or drive forest destruction.**

As the President promotes ethanol production in Latin America, steps must be taken to ensure that the ethanol boom does not become a driver for deforestation. It is possible that biofuels will be part of the solution to climate change, but only if forests are protected. President Bush should use his influence to ensure forest protection, climate protection and labor safeguards as ethanol production grows in Latin America. The U.S. can only solve this problem domestically through fuel efficiency and a long-term focus on second generation ethanol.

On March 8th President Bush will meet Brazilian President Luiz Inácio Lula da Silva to discuss expanding ethanol production in Latin America and exporting it to the U.S. These discussions are part of a larger effort by the Bush administration to strengthen the U.S. presence in the region. It is also part of President Bush's attempt to reduce Middle East oil imports without having to take on the American auto industry and significantly increase the fuel efficiency of U.S. cars, trucks and SUVs.

In the 2007 State of the Union address, President set a national goal of reducing U.S. oil consumption 20 percent by 2017. To achieve this, he has set an alternative fuels goal of 35 billion gallons and suggested that he would be willing to increase fuel economy standards by the equivalent of 8.5 billion gallons per year. In the weeks since the speech, the Bush administration has been suggesting where the U.S. might find those 35 billion gallons of alternative fuel, but raising fuel efficiency standards has rapidly and mysteriously dropped off the agenda (see hearing yesterday).

As part of the broader push to seek alternatives to Middle Eastern oil, the Bush administration is working with Brazil to expand ethanol production throughout Latin America. The administration is working to encourage the expansion of ethanol production to meet the very high goal it has set, while Brazil would like to expand production of ethanol from sugar cane. Brazil would also benefit from the market expansion that would likely result from more countries producing significant amounts of ethanol.

Biofuels are not a silver bullet solution to U.S. oil use or global warming. Biofuels are only a small piece of the solution puzzle. Before the industry can be a larger part of the solution, it is essential that social and environmental requirements be established to ensure sustainability. There are many threats associated with the expansion of the biofuel industry: the reduction in food crops; increased water and pesticides use; open burning; and increased deforestation.

Greenpeace recently negotiated a two-year moratorium on expanding soybean cultivation in the Amazon biome - a boom in biodiesel production could strain that deal. This moratorium is necessary to the protection of the Amazon rainforest. Deforestation of the Amazon is the largest Brazilian contribution to global warming, and is the main reason Brazil is the 4th largest global warming polluter in the planet.

While expanding ethanol production in Latin America could be a part of the solution to global warming, its potential is limited. Brazil has successfully grown its ethanol production to the point where they now produce about 40 percent of the nation's fuel from sugar cane, or roughly 4 billion gallons per year<sup>1</sup> Renewable Fuels Association, [http://www.ethanolrfa.org/objects/pdf/outlook/outlook\\_2006.pdf](http://www.ethanolrfa.org/objects/pdf/outlook/outlook_2006.pdf). But there is little reason to believe that ethanol production from Brazil, or all of Latin America could ever make a significant dent in the U.S. demand for gasoline which now stands at 140 billion gallons per year and is still growing steadily. By contrast, last year Brazil exported 600 million gallons of ethanol<sup>2</sup> Brazilian Agricultural Ministry, <http://www.olade.org/biocombustibles/Documents/PDF.pdf>.

The necessary approach to addressing global warming and U.S. energy independence is increased fuel efficiency. Increasing the U.S. Corporate Average Fuel Economy (CAFE) for automobiles, SUVs and light trucks from today's levels of 24.4 miles per gallon (mpg) to 40 mpg by 2015 and 55 mpg by 2025 would reduce oil use by 25 billion gallons per year in 2015 and 75 billion gallons per year by 2025<sup>3</sup> <http://www.nrdc.org/air/transportation/oilsecurity/plan.pdf>.

The below chart illustrates that increasing Brazil's ethanol production is merely a side-step from the needed actions to help solve global warming and bring an end to the U.S. oil addiction. The truth of the matter is that domestic solutions within the U.S. are key to solving global warming, as the U.S. is the largest emitter of greenhouse gas pollution. An explosion in ethanol production would only put a minor dent in the U.S. demand for fossil fuels.

<b>By the Numbers</b>	<b>2005</b>	<b>2017</b>
U.S. ethanol production <sup>1,2</sup>	4	16
Brazilian ethanol production <sup>3</sup>	4	Not available
Brazilian ethanol exports <sup>4</sup>	0.6	Not available
Global ethanol production <sup>5</sup>	12	Not available
Bush goal in State of the Union	Not available	35
U.S. gasoline demand <sup>6</sup>	140	160

<sup>1</sup> Renewable Fuels Association, [http://www.ethanolrfa.org/objects/pdf/outlook/outlook\\_2006.pdf](http://www.ethanolrfa.org/objects/pdf/outlook/outlook_2006.pdf)

<sup>2</sup> National Corn Growers Association

<http://www.ncga.com/ethanol/pdfs/2007/HowMuchEthanolCanComeFromCorn0207.pdf>

<sup>3</sup> Renewable Fuels Association, [http://www.ethanolrfa.org/objects/pdf/outlook/outlook\\_2006.pdf](http://www.ethanolrfa.org/objects/pdf/outlook/outlook_2006.pdf)

<sup>4</sup> Brazilian Agricultural Ministry, <http://www.olade.org/biocombustibles/Documents/PDF.pdf>

<sup>5</sup> Renewable Fuels Association, [http://www.ethanolrfa.org/objects/pdf/outlook/outlook\\_2006.pdf](http://www.ethanolrfa.org/objects/pdf/outlook/outlook_2006.pdf)

<sup>6</sup> U.S. DOE, Energy Information Agency, <http://www.eia.doe.gov/oiaf/forecasting.html>