



## **Don't count your energy sources before they 'hatch'**

By Jim Waters

Ronald Reagan observed what history teaches: “The nearest thing to eternal life we will ever see on this earth is a government program.”

Therefore, we must fight hardest when do-gooders *first* raise the spectacle of saddling us with one of Washington's shiny new creations. Taking a wait-and-see attitude only leads to a never-ending struggle against feeding the beast once it's un-caged.

Such a beast has awakened and is now pacing madly – in the form of [House Resolution 1380](#), federal legislation that would result in up to [\\$9 billion](#) worth of taxpayer-funded subsidies to increase production of natural gas vehicles over the next five years.

It empowers the federal government to pick winners and losers in energy markets, regardless of costs or benefits to consumers.

Several fiscal conservatives who initially signed on are pulling their support after observing the beast up close. They see what Heritage Foundation policy analyst Nicolas Loris sees: “Special tax credits create the perception that (natural gas vehicles) are more competitive than they actually are by artificially reducing the price for consumers. Rather than increase competition, this [artificial market distortion](#) gives NGVs an unfair price advantage over other technologies.”

Kentucky Democratic Rep. Ben Chandler, one of the bill's many sponsors, cites our domestic supply of natural gas as a key reason for signing on.

You will get no argument from me that prices at the pump constantly remind that we must find alternative sources as well as tap into the ones we know exist. But will government manipulating the marketplace lead us to the land flowing with those domestic resources?

Dreamy-eyed supporters of these seductive subsidies attempted to beam us up into that land decades ago, assuring us that ethanol subsidies would keep gas prices down while strengthening our nation's security against unfriendly energy suppliers.

Some *still* make these claims. A news release on June 15 by Growth Energy, “the leading voice for the U.S. ethanol industry,” covered activists visiting congressional offices “to help raise awareness about ethanol and its role in keeping gas prices down, strengthening our nation's energy security and revitalizing communities and creating jobs in rural America.”

Drive by a gas station, check out the latest unemployment numbers, and you, too, may wonder: “How's that workin' out for ya'?”

Fortunately, the day following that release, the U.S. Senate finally voted to end the three decades-long boondoggle that provided corporate welfare to the ethanol industry at immense cost to this nation's taxpayers and global corn consumers.

Like a parent tempted to improperly intervene while a child is learning to walk, H.R. 1380 supporters want to "help" solve America's energy problems by cradling the natural gas industry rather than forcing its highly capable leaders to figure out how to provide consumers with a sustainable service whose benefits outweigh the costs – just like any other competitive enterprise.

Using emails from industry experts and insiders, a recent New York Times essay revealed that natural gas is very much in the [fall-down, get-back-up, three-steps-forward, two-steps-back](#) phase. The industry is still discovering how best and most efficiently to explore and extract enough resources to put more than a dent in our energy crisis.

Government privilege may keep the industry from falling down temporarily, but it will set America back in its attempt to find long-term stable energy sources. If the parent always intervenes to keep the baby from falling and getting back up, the child never learns to walk. Even if she could, you'd never know it.

Natural gas may very well be the answer, but we'll only know when the industry learns to stand on its own, surviving the rough and tumble of the marketplace and its competitive demands.

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