


Defending Agriculture

Legal, environmental hot button issues that impact U.S. farmers.

Thank Goodness This Bill Did Not Pass

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Politicians and the news media, including the Wall Street Journal, suggest that climate change legislation is dead. It's a good thing. That bill would have cost us billions at a time we simply can't afford it.

The Aug. 2 editorial in WSJ entitled, "The Death of Cap and Tax," points out that Senate Majority Leader Harry Reid, D-Nev., had given up on his new energy bill. Media focus on this bill was virtually all on accountability for BP to pay for the damage it inflicted on the Gulf of Mexico. Other media focused on the bill's attempts to make structural reforms to the new Department of Ocean Energy. This is merely the old Department of Interior's Minerals Management Service.

What you did not read about are the sections in the Reid bill which involve steps to reduce oil consumption and pollution, the providing of \$5 billion in incentives to offer point of sale rebates to homeowners to upgrade appliances, and \$5.8 billion to subsidize you and me to buy a natural gas vehicle.

Let's look at the fine print

To set the stage, we need to review the comments of former Republican Ray LaHood from Illinois, presently President Obama's Secretary of Transportation. Secretary LaHood, who has been a government employee for virtually his entire career, told the Associated Press that the Obama administration "...should consider taxing people for every mile they drive their car, [and] a system that would require tracking people's movements." It gets better. Secretary LaHood says the Obama administration wants to "...influence how people choose to travel."

At the National Press Club, Secretary LaHood defiantly restated his intention to use government power to stop people from driving. In fact, he said something that would make anyone pause while at the Press Club, regarding a strategy to make driving more expensive. I quote The Washington Examiner, July 29, 2010: "It is a way to coerce people out of their cars..."

And this from a Republican!

To start implementing this policy, the Reid bill offers interesting insights. In order to reduce oil and gas consumption and reduce carbon emissions, the Reid bill directs the Secretary of Energy to promulgate an interim final rule no later than 60 days after enactment that would establish a natural gas vehicle program to reduce gasoline use.

The administration wants to decrease the number of gasoline and diesel fueled vehicles. In order to get us to buy such vehicles, I want to list for you rebate values the federal government will pay you to get you out of your gasoline-fueled vehicle and of course, to reduce vehicle miles traveled.

The numbers below come from Section 2003 of Sen. Reid's Clean Energy Jobs and Oil Company Accountability Act. A purchaser of an alternative fuel vehicle weighing less than 8,500 pounds put into service in 2013 is eligible for a \$10,000 rebate. If it weighs more than 8,500 pounds but less than 14,000 pounds you will be eligible for a \$16,000 rebate. A vehicle weighing more than 14,000 but less than 26,000 pounds qualifies for a \$40,000 rebate. A vehicle weighing more than 26,000 pounds qualifies for a \$64,000 rebate.

In addition, Section 2004 will provide a grant, not a loan, of up to \$50,000 per unit for the installation of any natural gas refueling unit placed into service from 2011 to 2015.

In a further effort to produce new alternative fuel motor vehicles, the Secretary of Energy is required under the Reid bill, to establish a direct loan program to assist qualified manufacturers to pay 80% of their costs for re-equipping, expanding or establishing a manufacturing facility in the U.S. that is engaged in producing new qualified alternative fuel vehicles or any eligible component.

Secretary LaHood apparently has articulated this administration's policy when he claims we need to coerce people out of their cars. Sen. Reid's compromise climate energy bill demonstrates the thinking of those in Washington regarding the spending of our tax dollars to entice people to drive more expensive alternative fuel vehicles.

The projected federal budget deficit for 2010 is \$1.47 trillion. The fine print in Sen. Reid's proposed bill, which for the moment is dead, appears not to have any concern about spending billions of dollars to get people out of their cars and into alternative fuel vehicles required by the government.

Many of our elected leaders simply do not care about the enormous economic cost when it comes to reducing global carbon emissions. The next time you read about a climate and energy compromise, you might want to read the fine print. If you don't, it may turn out to be costly.

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Failed energy bill would have spent billions of tax dollars to move Americans into natural gas vehicles.

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