



Is Congressman Ron Paul Supporting Select Energy Subsidies?

Presidential candidate splits with Club For Growth, Tea Party supporters

By TOM GANTERT | Jan. 30, 2012

It's the bill that has Tea Party favorites Ron Paul and Michigan Congressman Justin Amash pitted against each other.

[House Resolution 1380](#) has been called everything from the "T. Boone Pickens" bill to "the next [Solyndra](#)." Its official name is the New Alternative Transportation to Give Americans Solutions Act of 2011.

Billionaire T. Boone Pickens, who owns Clean Energy Fuels Corp., which runs natural gas fueling stations in the United States and Canada, has been lobbying in favor of the bill.

According to the Club For Growth, the bill offers about \$5 billion in tax credits to boost production of natural gas vehicles.

While U.S. Rep. Amash is against it, presidential candidate and fellow Congressman Paul favors the bill, as do two other GOP congressmen from Michigan, Reps. Mike Rogers and [Thaddeus McCotter](#).

Reps. Rogers and McCotter are co-sponsors of the bill, despite growing pressure from limited-government groups that want them to withdraw support. Reps. Rogers and McCotter didn't return emails seeking comment.

Congressman Amash does not support the bill.

Will Adams, spokesman for Rep. Amash, said his boss does not support the bill because it is an example of government favoring one industry over another.

"Republicans seem to have a blind spot," Adams said. "They think renewable energy is bad (to subsidize), but natural gas isn't. It is part and parcel of the same issue."

[Paul Chesser](#), an adjunct scholar with the Mackinac Center for Public Policy and director of Climate Strategies Watch, which critiques global warming policies, said it was wrong to subsidize natural gas or alternative energy.

"The issue with natural gas is that there is such a boom in the country with discoveries, it ought to be able to develop on its own just fine without subsidies," Chesser wrote in an email. "... let the market determine whether it will work and compete with other fossil fuels or not. As for electric vehicles, they have proven already they can't survive [without subsidies](#). Period. Electrics were in wide use at the turn of the 19th century, achieved the same range that the current EVs do, and were overtaken by combustion engines. They just can't compete. Until the techies conquer the battery capacity/storage issue (which itself has received massive R&D dollars), they won't be able to compete."

[Randal O'Toole](#), who is also an adjunct scholar with the Mackinac Center and senior fellow with the Cato Institute, said in an email that people have different takes on the bill.

If you believe in energy independence, then H.R. 1380, which gives tax breaks to people and companies who convert their motor vehicles to operate on natural gas, might seem like a good idea. The United States has plenty of natural gas but must import liquid oil that is refined into gasoline.

If you believe in cutting taxes anywhere and everywhere you can, as Ron Paul does, then H.R. 1380 might seem like a good idea. Paul says he supports the bill because it reduces taxes even though it only reduces taxes on some people in support of a particular social agenda.

If you believe in free markets, then H.R. 1380 is not a good idea. No central planner can really know whether the best way to fuel future motor vehicles will be by solar power, natural gas, electricity, gasified coal, tar-sand oil, oil-shales, or some unknown energy source. Government favor for one of these fuels may inadvertently shut out another which actually would be more efficient.

Even if you favor energy independence, the United States has abundant supplies of both coal and oil shale, so it would be inappropriate to favor natural gas over these other power sources. If natural gas is a sensible way to fuel motor vehicles, then let the market choose it over the alternatives.

Scott Hagerstrom, director of the Michigan chapter of Americans For Prosperity, said he was disappointed some Michigan GOP politicians are supporting the bill.

"It seems Obama wants to subsidize electric cars and some of these Republicans want to subsidize the natural gas industry," Hagerstrom said.

Rep. Paul didn't respond to an email seeking comment, but did comment on his website.

[He stated](#), "... while I do not support providing federal grants to any industry, I do support the tax credits contained in the NAT Gas Act, HR 1380. These credits reduce taxes for the production or purchase of vehicles that run on American-made natural gas. These credits are not subsidies."

But the Club For Growth disagrees.

"If there is a market for natural gas vehicles, then the free market will generate one," said Barney Keller, spokesman for Club For Growth.