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The Extension of Ethanol Subsidies

Posted By [Brian McGraw](#) On December 10, 2010 @ 10:54 am In [Energy](#), [Ethanol](#) | [4 Comments](#)

Despite opposition from [academics](#) ^[1], [environmental organizations](#) ^[1], [libertarian organizations](#) ^[2], [editorial](#) ^[3] boards [across](#) ^[4] the [country](#) ^[5], and [dozens \(PDF\)](#) ^[6] of other groups, the ethanol tax credit and resulting tariff is said to be locked into the tax bill that will be passed before the end of the year. The good news is that, as of now, it is only extended through the end of 2011.

Predictable cheerleading [ensued](#) ^[7] from the ethanol lobbyists:

While this legislation is not as long as we had hoped, it is a common sense approach that will ensure American ethanol production continues to evolve and new technologies commercialized. We urge Congress to move expeditiously to pass the legislation. Then, honest and good faith discussions about how we reform all energy tax policy – including for all oil and ethanol technologies – can occur.

Which means that as we saw earlier this fall the RFA, etc., will just be asking for different ways to spend our money. Of course, as Consumer Energy Reports energy blogger Robert Rapier has documented numerous times ([here](#) ^[8], [here](#) ^[9]), the RFA doesn't concern itself much with honest good faith discussions.

Given the uproar over a relatively small issue (the VEETC will cost about \$6 billion next year), I'm looking forward to the honest and good faith discussions where they ask for more money to be spent on all sorts of ethanol goodies, and how each side reacts to these discussions.

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URLs in this post:

[1] academics: <http://www.env-econ.net/2010/11/if-al-gore-had-listened-to-me-about-ethanol-on-2007-he-wouldnt-have-had-to-backtrack-now.html#comments>

[2] libertarian organizations: http://www.cato.org/pub_display.php?pub_id=7308

[3] editorial: <http://www.nytimes.com/2010/12/09/opinion/09thu3.html>

[4] across: <http://www.washingtonpost.com/wp-dyn/content/article/2010/12/08/AR2010120805821.html>

[5] country: <http://online.wsj.com/article/SB10001424052748704679204575646860280389400.html>

[6] dozens (PDF): <http://switchboard.nrdc.org/blogs/slyutse/Coalition%20VEETC%20Opposition%20Letter%2011%202010.pdf>

[7] ensued: <http://www.ethanolrfa.org/news/entry/senate-tax-bill-would-extend-ethanol-tax-credit/>

[8] here: http://www.consumerenergyreport.com/2010/12/06/how-the-rfa-wastes-your-tax-dollars-part-i-how-much-is-a-job-worth/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+R-squared+%28R-Squared%29

[9] here: <http://www.consumerenergyreport.com/2010/12/08/examining-the-rfas->

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