

Idahoans smart enough to buy cars without incentives

By Wayne Hoffman

During the Thanksgiving weekend, I had a chance to drive the freeway to Portland. I haven't had a chance to do that in several years, so the obvious change in the landscape came as an unpleasant surprise. Around the early evening hours, we made it midway through our journey, and across the darkened horizon, we could see nothing but red lights, flickering on and off, mostly in unison as far as the eye could see, from north to south. Returning to Idaho under the light of day, the culprit was plain: dozens upon dozens of wind turbines dotting the landscape. Ugly as thistle, these turbines have adulterated what used to be a stunning Western landscape. Those of us who have driven the rural outskirts in eastern Idaho know that wind turbines are also fouling up Idaho's majestic scenery, aided by sales tax breaks and a property tax exemption for the land that hosts these ugly beasts.

Of course, were this the free market at work, I'd have less to complain about. It's not. As I have discussed before, the proliferation of these grotesque wind gadgets are a function of government incentives, designed to engineer certain economic outcomes – favoring one type of technology over others, in this case so-called “green” energy instead of fossil fuels. While state lawmakers rejected the extension of a sales tax break for wind power, the property tax exemption remains on the books, and I would not be surprised to see legislation introduced in Idaho to further these incentives (including the sales tax break) next legislative session.

But there's more. Today, Idaho has the potential to be rich source of natural gas exploration and development. So, naturally, some advocates of natural gas are trying to convince lawmakers – state and federal – to provide incentives for this particular fuel source. Natural gas legislation pending in Congress would provide subsidies for natural gas vehicles, including tax credits to help offset the costs associated with new fueling stations, tax credits of \$7,500 for passenger trucks and \$64,000 for commercial trucks powered by compressed natural gas. Indeed, the legislation in question – the New Alternative Transportation to Give Americans Solutions Act of 2011 (Nat Gas Act) – has 181 cosponsors as of today, including Idaho Congressman Mike Simpson.

Proponents of such incentives point out that gasoline prices are so much higher than natural gas, so switching to natural gas would seem to make financial sense. Supporters also contend that natural gas is clean and plenty abundant within the U.S. So if the case for natural gas is so darned compelling, why do legislators think they need to incentivize its use?

Grover Norquist of Americans for Tax Reform points out, in opposing the natural gas legislation, “Over the years, Congress and regulatory agencies have piled on rules and regulations in an attempt to nudge, or force, Americans to use lawmakers' preferred energy sources. This compounding effect has skewed today's energy market to the point where our most efficient energy sources are being phased out and replaced with unreliable, expensive alternatives.”

True. Inefficient and ugly wind generators cluttering the Idaho and Oregon countryside are a creation of government intervention in the free market, of incentives designed by politicians selecting winners and losers because they believe they know what's best for us.

If natural gas-powered vehicles make sense, we'll buy them. Idahoans are smart enough to figure out what kinds of automobiles to buy and what kind of fuel they use.