

Why Prop. 10 is a boondoggle

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If timing is everything in politics, then Proposition 10 would seem to be a surefire winner.

It would funnel \$5 billion in state bond money into subsidies for clean-and-green energy alternatives with \$3 billion of the total going to subsidies to boost natural gas as a road fuel.

But wait: The chief backer and bill payer for the measure is T. Boone Pickens, the folksy Texas oilman and apostle for energy independence who founded a firm that just happens to supply natural gas for cars and trucks. To paraphrase Kermit the Frog, it's easy being green.

If the foul scent of self-interest doesn't sink Prop. 10, its specifics should. The bulk of the bond proceeds would be doled out as subsidies for vehicle buyers. A high-mileage, gas-burning hybrid would mean a \$2,000 subsidy for a buyer, even though these cars are already selling briskly. The measure would sweeten the deal to \$10,000 for a car powered by natural gas and up to \$50,000 for a long-haul truck.

These may sound like smart inducements. But why single out natural gas for special favors when other technologies are in their infancy? These fields are drawing private investors who haven't asked for a Pickens-sized bond measure.

Prop. 10 should come with warning label: Do not issue in dicey financial times. Sacramento is now recovering from a record budget impasse, due to a wide gap between revenue and expenses. There's every reason the problem will continue, and adding the \$325 million per year cost of Prop. 10 would worsen the picture.

Along with the lopsided natural gas incentives, there are other weak points in this loaded-up gift package. There's \$200 million for eight cities including San Francisco and Oakland for demonstration projects and alternative-energy education, though none of the cities sought the help. Also, the 30-year life of the bond program could mean that California will be paying decades beyond the useful life of natural-gas powered vehicles, which could end up in scrap yards after a few years of use.

But there's the argument that something needs to be done to shake this economy from its petroleum addiction. Cost, operational details, even a self-dealing sponsor would seem beside the point.

But Prop. 10 couldn't even win a free pass for good intentions. It's opposed by an A-to-Z list of ballot-savvy organizations including the anti-tax Howard Jarvis group, California Chamber of Commerce, Sierra Club and the California Labor Federation. On the other side: Pickens and his checkbook.

California needs low-polluting alternative fuels in its future. But voters shouldn't be misled to think this measure is a balanced answer. Vote no on Proposition 10.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/09/25/ED3T134BGP.DTL>

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