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THE DÉMOS WEBLOG

## Demos

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## [The Wrong Approach to High Gas Prices](#)

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| **Mijin Cha**

Here's the wrong way to try to lower the price of gas: blocking loans that would help develop more efficient cars. American companies looking to develop cleaner cars are **not receiving** the loan support they need. The short-term consequence is the shutting down of factories and the loss of jobs. The long-term consequence is that we will still be at the mercy of oil companies and foreign countries and the wide fluctuations in gas prices that accompany that dependence for years to come.

In 2007, in conjunction with new federal fuel economy requirements, the Department of Energy created the **Advanced Technology Vehicle Manufacturing** program, ATVM, to provide loans for the development of more fuel-efficient vehicles. So far, only **\$8.4 billion of the \$25 billion** authorized by Congress has been allocated. Many companies have been strung along for years and are starting to falter. Last month, Bright Automotive, an Indiana company looking to build energy-efficient fleet trucks, **shut down and laid off** all 60 workers. Bright's business plan **had been endorsed** by major companies with large gas-guzzling fleets, like Frito-Lay and Comcast. It had also received advanced orders for its trucks.

It seems the DoE is still stinging from the Solyndra bankruptcy and implementing overly restrictive protocol, but preventing clean technology from developing is the wrong lesson to learn. As we've **highlighted extensively**, government investment in clean technology development is not only a good thing, it's the right thing. Investing in start-ups so they can develop technology that will then be commercialized is not only a smart use of resources, it is fundamentally necessary because there is no private incentive for certain benefits, like environmental protection.

Blocking clean energy loans is not going to help decrease

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