Cash-for-clunkers program crashes up against the environment

Getting vouchers to turning in your old guzzler for a new guzzler does nothing to promote more efficient cars.

May 17, 2009 | Dan Becker and James Gerstenzang | Dan Becker is director of the Safe Climate Campaign. James Gerstenzang covered Washington for The Times for 24 years.

The automakers are filling up again at the Capitol Hill bailout pump. The latest idea is "cash for clunkers."

Interested in junking your old gas-guzzling Hummer -- or maybe Lincoln Town Car or Chevy Blazer -- for a new vehicle?

If the gas mileage of any 2009 model passenger car you buy is just 4 miles per gallon better than the one you are now driving, you could pick up $3,500 from taxpayers as part of the deal.

And if your new vehicle produces more significant improvements in fuel economy over your old vehicle's -- 5 miles per gallon more for trucks and 10 miles per gallon more for cars -- you could get $4,500.

This auto bailout legislation, now being considered as part of the energy bill making its way to the House floor, would provide subsidies from the U.S. Treasury to encourage potential car and truck buyers to ditch their current wheels and drive home new ones.

The auto companies have made terrible mistakes -- hundreds of thousands of them in any color you want. They are sitting on dealers' lots across the country. "Cash for clunkers" is Detroit's proposal to move them onto the streets. And it comes with a "good for the environment" gloss.

Beware. It's another Detroit bait and switch.

The proposal, which has not undergone the scrutiny of public hearings, offers various incentives for sending your old vehicle to the crusher and buying a new one, based on the category of vehicle and in some cases its age. That sounds green -- getting old cars or low-miles-per-gallon cars off the road in favor of newer, more efficient ones -- but in most cases, the improvements called for are just slightly better. The mileage threshold for the new vehicle can even be less than the CAFE (for Corporate Average Fuel Economy) standards set by the U.S. Department of Transportation.

At its worst, the bill would in effect allow a guzzler-for-guzzler swap: Scrap a pre-2002 "work truck" weighing more than 8,500 pounds (and some of the most gigantic Dodge Rams or Ford Super Duty pickups fit that description) for a new 8,500-pound behemoth, and a $3,500 subsidy is yours. And there are no mileage questions asked -- it's presumed the newer models will have better mileage and qualify, even if it's as little as a 1-mile-per-gallon difference.

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The cost of all this to the federal Treasury? As much as $4 billion. For the additional red ink the bill would produce in the federal budget, shouldn't it contain something really green?

The White House has blessed the bill. It is emerging in coming days from the House Committee on Energy and Commerce, chaired by Rep. Henry A. Waxman (D-Beverly Hills).

The auto industry's most powerful advocate in Congress, Rep. John D. Dingell (D-Mich.), has argued that the legislation would "result in hundreds of thousands of new vehicles being purchased across the country."

Never mind that these cars are already built and would eventually be sold, without federal incentives. The only question is: for how much?

Germany has tried a similar program. The Abwrackpramie, or "wreck rebate," began in January at a cost of 1.5 billion euros -- about $2 billion. Car companies have come to rely on it and have successfully demanded its extension. The sticker price has reached 5 billion euros, with no end in sight.

Jos Dings, director of the European Federation for Transport and Environment, an environmental advocacy group in Brussels, calls it a "methadone program for addicted automakers."

Still, replacing a 9-year-old car with a new one in Potsdam is more likely to yield an environmental benefit than a similar switch in Pomona. U.S. fuel economy rates -- and emissions -- have remained essentially unchanged since 1989. In contrast, the gas mileage of some European cars has gone up, so emissions have gone down. For instance, a 2009 subcompact Ford Ka, typical of the cars available, emits 28% less carbon dioxide -- the key culprit in climate change -- than the 2000 model, according to the website vcacarfueldata.org.uk.

Nonetheless, a think tank study suggests, the effect of the program on car sales in Germany is limited. About 75% of the money is being used to sell cars that would have been sold without the subsidy, according to the Halle Institute for Economic Research.

Sen. Dianne Feinstein (D-Calif.) has proposed an alternative to the House measure. It would provide an incentive for the purchase of new or used vehicles and demand a significant improvement in fuel economy. Its vouchers would help pay for a car or truck carrying a fuel economy rating at least 25% better than the government target for the same class of vehicles. And the vehicle being turned in would have to have had a fuel economy rating of less than 15 miles per gallon when it was new.

But the auto industry has put the focus on the House bill, which it hopes will clear America's most unwanted vehicles from dealer lots.

The competing pieces of legislation are on a collision course at one of the busiest Washington intersections this spring. That is where the need to stimulate the economy -- in this case, by boosting auto sales -- meets the need to fight global warming.

If automakers are going to get another bailout at our expense, the least we can demand is that we get something for our money. That should be cleaner, more efficient cars that cut global warming gases, wean the nation from its oil addiction and save money at the pump.

Anything less would be highway robbery.

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