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Find a way to trade cash for clunkers

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If Congress and the Obama administration aren't attentive on the assembly line, a "cash for clunkers" program could roll onto the showroom floor and straight to the junkyard.

Lawmakers are debating several plans that would offer financial incentives for Americans to swap their older vehicles for new, more fuel-efficient models or for mass transit vouchers.

It's a promising concept. The incentives could provide a quick boost for the badly ailing U.S. auto industry, including its dealers; would ease the nation's dependence on oil; and would help consumers save money at the gas pump, among other benefits.

The proposals are modeled on ventures already running or planned in Europe and Japan. A "scrappage" program in Germany is credited with a year-over-year spike of 21.5 percent in new-car sales in February and 40 percent in March.

In the United States, where year-over-year sales plummeted 37 percent in March, supporters are hoping for a similar jump-start. Analysts estimate incentives could boost new car sales by as much as 3 million within a year to 18 months.

The proposed program enjoys enthusiastic support from groups that are often at odds, including automakers, unions and environmentalists. But lawmakers could undermine the effectiveness of the effort if they focus too much on short-term gains, not long-term national goals.

House and Senate sponsors of two competing proposals are reportedly close to completing a compromise measure. Some sort of cash-for-clunkers program appears likely. President Barack Obama has endorsed the concept, with a caveat that the money would have to come from already-approved stimulus funding.

Automakers and union officials favor a version that would restrict incentives - generally in the $3,000 to $5,000 range - to vehicles that are at least partially American-made.

Such a provision makes sense, given the U.S. auto industry's impact on the economy, but critics argue convincingly that the proposed limits would violate international trade agreements.

Congress would be wiser to open the program to foreign brands sold at U.S. dealerships, rather than ignite a trade battle and risk sacrificing any potential benefits for U.S. automakers and for U.S. factories that help produce foreign models.

Other major sticking points involve fuel efficiency.

A leading measure stipulates that incentives must be used to buy trucks that get at least 24 miles per gallon and new cars with mileage of at least 27 mpg. The trade-ins must be at least eight years old, but the bill doesn't set a minimum mileage for those vehicles.

An alternative bill limits eligible trade-ins to 18 mpg or worse and stipulates that the new vehicles must be 25 percent more efficient than the old car.

Environmentalists are pushing for the greatest gains in fuel efficiency possible, a reasonable goal given that the program could cost taxpayers several billion dollars or more. As Safe Climate Campaign's Dan Becker recently told The Hill newspaper, "The American people are subsidizing the auto industry, and we need to get some equity for that in the form of better environmental protection and less addiction to foreign oil."

Setting the bar high also would help offset the program's downsides - including the energy that would be consumed manufacturing new vehicles to replace ones that are still operable. The program also would reward owners of gas-guzzlers and, at least in its current version, would offer no incentives for Americans to buy used fuel-efficient vehicles.

Whatever proposal results from current negotiations, it's certain to contain flaws. But as long as the outcome focuses on efficiency rather than political expediency, a cash-for-clunkers program could become a modest but significant component in America's energy, economic and national security policies.