

ACEEE statement on the CARS Act (H.R. 1550)

ACEEE commends the intent of Representative Sutton, sponsor of the CARS Act, to help the U.S. auto industry emerge successfully from the current crisis while reducing oil dependence and global warming emissions. Unfortunately, **the vehicle scrappage program outlined by the bill as introduced would not achieve its energy and environmental objectives.**

The most serious shortcomings of the bill are:

- The qualification for vehicles to be scrapped under the program is based on age (model year 2000 or earlier) rather than poor fuel economy;
- The fuel economy threshold for U.S.-assembled cars to be purchased under the program (27 miles per gallon highway) is very weak, with well over half of all cars sold meeting this threshold.

Scrapping all pre-2001 vehicles indiscriminately does not serve any valid purpose and should not be funded by taxpayers. Fuel economy in the U.S. has been roughly flat since the late 1980s, so replacing an older vehicle with a newer one does not generally save fuel. The bill as currently drafted fails to ensure that a new vehicle purchased under the program will be significantly more fuel-efficient than the vehicle that is scrapped.

Crafting a bill that will both accelerate our transition to a vehicle fleet that dramatically reduces oil consumption and greenhouse gas emissions AND stimulate demand for new vehicles to help our auto industry recover is an achievable goal. Any bill offering federal subsidies for new vehicle purchases should require that **the scrapped vehicle is a fuel-inefficient vehicle**, not simply an old vehicle, and that **the purchased vehicle is a highly fuel-efficient vehicle.**

We recommend the approach taken in H.R. 520, the ARIVA bill introduced in January by Rep. Israel, which promotes scrappage of vehicles having a combined fuel economy under 18 miles per gallon and purchase of vehicles exceeding Corporate Average Fuel Economy (CAFE) standards by at least 25 percent.

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