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'Cash for Clunkers' pays up to \$4,500 to upgrade cars & trucks

By Agri-Pulse Staff

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The House of Representatives will soon consider Rep. Sutton's CARS (Consumer Assistance to Recycle and Save) Act (H.R. 2460). The legislation is based on an agreement reached by Reps. Waxman, Markey, Dingell, Sutton, Inslee, and Stupak that passed the House Energy and Commerce Committee in May by a vote of 50-4 as an amendment to the American Clean Energy and Security (ACES) climate legislation.

Under the program, consumers may trade in their old, gas-guzzling vehicles and receive vouchers worth up to \$4,500 to help pay for new, more fuel efficient cars and trucks. The program will be authorized for up to one year and provide for approximately one million new car or truck purchases. The agreement divides these new cars and trucks into four categories. Miles per gallon figures below refer to EPA "window sticker" values.

- **Passenger Cars:** The old vehicle must get 18 mpg or less. New passenger cars with mileage of at least 22 mpg are eligible for vouchers. If the mileage of the new car is at least 4 mpg higher than the old vehicle, the voucher will be worth \$3,500. If the mileage of the new car is at least 10 mpg higher than the old vehicle, the voucher will be worth \$4,500.
- **Light-Duty Trucks:** The old vehicle must get 18 mpg or less. New light trucks or SUVs with mileage of at least 18 mpg are eligible for vouchers. If the mileage of the new truck or SUV is at least 2 mpg higher than the old truck, the voucher will be worth \$3,500. If the mileage of the new truck or SUV is at least 5 mpg higher than the old truck, the voucher will be worth \$4,500.
- **Large Light-Duty Trucks:** New large trucks (pick-up trucks and vans weighing between 6,000 and 8,500 pounds) with mileage of at least 15 mpg are eligible for vouchers. If the mileage of the new truck is at least 1 mpg higher than the old truck, the voucher will be worth \$3,500. If the mileage of the new truck is at least 2 mpg higher than the old truck, the voucher will be worth \$4,500.
- **Work Trucks:** Under the agreement, consumers can trade in a pre-2002 work truck (defined as a pick-up truck or cargo van weighing from 8,500-10,000 pounds) and receive a voucher worth \$3,500 for a new work truck in the same or smaller weight class. There will be a finite number of these vouchers, based on

this vehicle class's market share. There are no EPA mileage measures for these trucks; however, because newer models are cleaner than older models, the age requirement ensures that the trade will improve environmental quality. Consumers can also "trade down," receiving a \$3,500 voucher for trading in an older work truck and purchasing a smaller light-duty truck weighing from 6,000 – 8,500 pounds.

Summary of Cash for Clunkers Agreement				
	Passenger Car	Light-Duty Truck	Large Light-Duty Truck (6,000 – 8,500 pounds)	Work Truck (8,500 – 10,000 pounds)
<i>Minimum Fuel Economy for New Vehicle</i>	22 mpg (EPA combined)	18 mpg (EPA combined)	15 mpg (EPA combined)	
\$3,500 Voucher	Mileage improvement of at least 4 mpg	Mileage improvement of at least 2 mpg	Mileage improvement of at least 1 mpg or trade-in of a Work Truck.	Trade-in must be at least pre-2002
\$4,500 Voucher	Mileage improvement of at least 10 mpg	Mileage improvement of at least 5 mpg	Mileage improvement of at least 2 mpg	