

I want the American auto industry to survive. But I don't want them to survive because of perpetual Congressional life support.

What Detroit needs is a jump start. For years, Americans gobbled up clunker vehicles because gas was cheap. Because of the demand for what they were making, the American automakers didn't see a reason to seriously retool. Toyota and Honda were busy making smaller, lighter, more energy efficient vehicles. But Americans still wanted their SUVs, so Detroit kept selling them. Then, the bottom fell out. As oil prices spiked our tastes suddenly changed and SUVs became passé.

Oil prices may have stabilized since then, but the future still demands the smaller, lighter, more energy efficient vehicles. So how do we get our auto industry to fast-track that future? It's not with a bailout, or with over-regulation of our businesses. Automakers, car dealers and parts suppliers understand one thing above all others: purchase orders. We need to incentivize Detroit to get efficient. We do that by generating demand for fuel-efficient vehicles.

The American Recovery and Reinvestment Act presents an opportunity for us to do this. We still have non-allocated funds from that bill as well as the funds declined by Republican governors. If our goal is to stimulate, I say we commit those funds to to one of our biggest, most historic and neediest sectors: the auto industry.

Along with Rep. Jay Inslee of Washington, I introduced a "Cash for Clunkers" bill in the House of Representatives (H.R.520). We put this out there in January hoping that the quickly moving recovery package would embrace this idea. The bill passed without it, but there is still time to make it happen.

Our bill puts the highest possible priority on one thing: efficiency. If we are going to reinvigorate the auto industry we need to modernize it at the same time. Our "Cash for Clunkers" program would let clunker owners, anyone with a car that got 18 miles per gallon or less at the time of purchase, turn in their old vehicle to be scrapped in exchange for a voucher to buy an energy efficient vehicle or public transportation. Vouchers range from \$1,500 up to \$4,500 for any car that exceeds CAFE efficiency standards by 25 percent. This year, that would mean a car that gets about 34 miles per gallon or better. If you buy a car that is 50 percent above CAFE standards, you'd get an extra \$1,000 added on to your voucher.

A JUMP START

Wednesday, April 01, 2009

If we are going to help Detroit, we need to do it with a program that also helps our environment and the consumer. After four years, this program could reduce our oil consumption by 40,000 to 80,000 barrels a day, cutting our carbon emissions, cutting our dependence on foreign oil, and cutting costs for American drivers.

"Cash for Clunkers" is a game changer and Detroit finally seems ready to change its game.