Full Speed In Reverse

By Jeff Reinke, Editorial Director, Chem.Info

I know, I know, the U.S. auto industry has been an easy target for quite a while now, but a release came across my screen last week that made putting it back within the crosshairs of my keyboard way too appealing.

Over the last couple of weeks we've all become familiar with the Cash For Clunkers program. Although tempting, I'll resist the urge to expose all the long-term negative implications of the initiative and instead offer perspective on the damage it's doing right now, and potentially down the road to industries throughout our country, including processing.

In some respects, I'm sure those who championed this once-environmentally focused legislation are pretty proud of themselves. The $1 billion of initial funding allotted to the program was used up in less than a week, as Americans used the $4,500 rebates to buy more than 250,000 vehicles. As an aside, I'll also resist the opportunity to demonstrate the irony of how a situation intended to help the flailing margins of GM and Chrysler actually benefited Toyota and Honda – only four of the top ten cars purchased through the program are from Ford, GM or Chrysler. GM barely caught the list as its Chevy Cobalt came in at number 10, but Ford, you know, the one who decided to keep their problems to themselves, landed the number one spot on the trade-in list with its Focus model.

Unfortunately, I've got another avenue to venture down in my criticism of the CARS (Car Allowance Rebate System) program. Last week, after cruising through the first billion dollars of funding, our fearless leaders in Washington readily approved another $2 billion to help extend the program through its deadline of November 1. Although financial accountability is a rare inquiry in Congress, I found it both interesting and upsetting that these funds were re-allocated from a renewable energy loan guarantee program. Don't worry though, administration officials pledged to restore the funding at a later date.

So instead of continuing to invest in programs aimed at expanding the use and implementation of a wider range of energy sources that will combat our country's dependence on foreign oil, we're going to strengthen a program that helps preserve the use of vehicles that require a continued dependence on foreign oil in order to operate. Granted, many of the vehicles that were bought are of a hybrid variety, but this simply means less gas, not the elimination of it.

Look, I might be one of the least environmentally-conscious people writing within our industry and am critical when it comes to the feasibility of many renewable

energy options, but at least these initiatives are looking to bring about long-term benefits. In my opinion the laundering of these renewable energy funds to the automotive marketplace sends a distressing message about the priorities of our congressional leaders and their attitudes towards current and future energy usage trends.

I can appreciate the jobs that center around the automotive industry and their importance to our country's financial well-being. I'm also not knocking the use of oil and gasoline-powered vehicles – I happily drive one to work every day. I'm simply disappointed that the mistakes vehicle manufactures have made in the past are now impacting potential energy solutions of the future.

Is Cash For Clunkers a drain on resources or an environmental revolution? Email me at jeff.reinke@advantagemedia.com [1].

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