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***CONGRESS SET TO CREATE LOOPHOLE THAT ALLOWS WIDE PUBLIC ACCESS
TO ACQUIRE CLUNKER VEHICLES***

Open Public Bidding on Clunker Vehicles Unlocks Flood Gates to Potential Vehicle Fraud

(Fairfax, VA) – With environmentalists recently expressing their strong disappointment regarding the “Cash for Clunkers” compromise legislation, it is not good news to learn that Congress is set to establish a loophole that allows widespread public access for individuals to bid on “clunker” vehicles that are supposed to be retired under the program. The proposal being circulated by House lawmakers would allow salvage auctions to process these vehicles, a dangerous move that opens the door for criminal activity from the resale of the retired cars to the public.

The Automotive Recyclers Association (ARA) opposes the provision to make “Cash for Clunker” vehicles publicly available. The loophole is created by laws currently on the books in over 35 states that allow the general public into salvage auctions to bid on salvaged or non-repairable vehicles, rather than only licensed dealers, automotive recyclers, or scrap processors. If the “clunker” vehicles are processed here, there are little to no controls in place to prevent unlicensed individuals who may, illegally and without regard to the environment or safety, purchase these vehicles to put back on the nation’s roads or export them to foreign buyers for significant profit – fleecing the American taxpayer.

The salvage pools are much different today than five or ten years ago. It is estimated that over 30% of the total-loss vehicles sold are exported to foreign countries. In fact, one large salvage auction company indicated that their vehicles were exported to over 94 countries in 2007. Therefore, by broadening bill language to include the salvage pools, Congress significantly diminishes the overall health and safety of the general public and the environment, as untrained, unregulated, and ill-equipped individuals -- rather than licensed automotive recycling professionals or scrap processors -- attempt to handle, dismantle and dispose of environmentally-harmful, waste-stream products and hazardous materials. By allowing unlicensed individuals to purchase these vehicles, it also helps the criminally minded to prosper at the taxpayer’s expense. Furthermore, it is impossible for the law enforcement community to spend the time or resources to combat the fraud that this is sure to perpetuate.

“Once again, Congress’ haste to act in these difficult economic times are leading to whole array of unintended consequences,” says Automotive Recyclers Association’s (ARA) Executive Vice President Michael E. Wilson. “This is truly something that should go through the regular legislative process with committee hearings and full floor debate.” Wilson added, “This has been circulating around the back halls of Congress for months. What is truly needed is a full public review of what is actually in the bill.”

Since 1943, the Automotive Recyclers Association (“ARA”) represents an industry dedicated to the efficient removal and reuse of “green” automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents over 4,500 auto recycling facilities in the United States and fourteen other countries around the world. With programs such as the Certified Automotive Recycler Program (CAR) and other partnerships, ARA members continue to provide consumers with quality, low-cost alternatives for vehicle replacement parts, while preserving our environment for a “greener” tomorrow.

To learn more about the Association, visit ARA’s Home Page at www.a-r-a.org or call (703) 385-1001.