



California lawmakers ramp up cash-for-clunkers-like program

By: Bre Payton
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California is paying drivers to get their air-polluting cars off the road, and will throw in some cash to get a newer, more fuel-efficient model.

If you're surprised by this, you're not alone. Only 21 Californians have actually gotten a new vehicle from this cash-for-clunkers-esque program during its first year.

Government employees [even sent out over 12,000 letters notifying people](#) they were eligible for a portion of \$3 million set aside for vehicle replacement, but the complicated process and low cash incentives turned many away from getting these benefits.

After the low participation rates of the first year, the program was temporarily suspended, and remains so until the guidelines are rewritten for the program and it launches again in 2015.

Yet lawmakers simultaneously [extended the program's funding](#) until 2024, and called for the incentive amount, which is currently at \$2,000 or \$2,5000 for low-income participants, to be increased.

This little-known pilot program focused in Southern California is part of the [Enhanced Fleet Modernization Program](#) run by the [California Air Resources Board](#), which aims at improving air quality by getting high-polluting cars off the road.

By encouraging people to get a newer car sooner, you can speed up one's decision to get a new car, and consequently they stop driving an older car that's putting out more environmentally-damaging emissions, said John Swanton, communications director for the ARB.

Older vehicles disproportionately pollute California's air. [Over half the pollution is caused](#) by an estimated 10-15 percent of the oldest cars on the road.

Free market transportation experts don't think the EFMP's approach is the most effective, though.

“I think these programs are misbegotten anyway since they are only slightly hastening the inevitable,” said Randall O’Toole, senior fellow at the [Cato Institute](#). “Old cars wear out, and the new cars that replace them are more fuel efficient.”

If passed, SB 913 will require the ARB to post program participation goals on its website, and inform the General Assembly of progress towards these goals.

“There are a number of higher-polluting vehicles that can be removed from our roads and help meet the air quality emissions goals,” said Jeff Macedo, communications director for California Sen. Anthony Cannella, who co-authored [SB 913](#).

“Since the Legislature authorized the extension of the program it’s important they get an accurate assessment of how it’s being used,” said Brian Mass, president of the California New Car Dealers Association.

The larger outcome of the program is to sensitize people to vehicle turnover, Mass said.

“The ARB and the Federal Environmental Protection Agency have enacted very strong rules (on car manufacturers). The ultimate goal is to meet these requirements. But you can’t sell a car to somebody if they are unwilling to get rid of their older car,” he said. “There’s no mandatory requirements on when you need to retire you vehicle. There’s not as much attention paid to the end of the cycle (of a car’s life) as much as the beginning.”

The modernization program gets \$30 million from the state each year. Most of these funds go towards the 3-year-old car retirement portion of the program, which has been more successful than the replacement initiative.

Since its enactment in 2010, the state has given \$1,000 (\$1,500 for low-income participants) to over 86,000 Californians to retire vehicles that fail a smog check.

The environmental benefits of this program are questionable, however.

Over 60 percent of the vehicles retired were unregistered. This figure suggests many of the scrapped cars were not being driven on the road anyway, thus scrapping them may not have helped the environment as much as projected.

Currently, there is no cost-effectiveness mandate on the EFMP. The retirement portion of the program [is estimated to cost](#) \$19,000 for every ton of pollution it reduces, whereas the replacement portion of the program is estimated to cost as much as \$43,000 per ton.

“This is another example of a feel-good government program that fails miserably when measured for its effectiveness,” Jon Coupal, president of the [Howard Jarvis Taxpayers Association](#), said of the replacement portion of the program. “The overhead costs of programs like this always exceed the benefits confirmed from them.”