

FOR IMMEDIATE RELEASE & nbsp;
Date: May 13, 2009
CONTACT: Jennifer Johnson (703) 385-1001

SAVING RECYCLED CAR PARTS FROM NEAR EXTINCTION

Congress Seeking to Destroy Millions of Replacement Car Parts While Questions Abound on New Parts Supply Chain Viability

(Fairfax, VA) – All across the world, governments are implementing early vehicle retirement programs that are intended to help struggling automakers. This year already, two accelerated vehicle retirement bills have been introduced in the United States Congress. Regrettably, both seek to restrict the sale of two major replacement parts — the engine and transmission — harvested from vehicles turned in for end-of-life processing under these programs. Notwithstanding good intentions, while these measures may assist automakers now, they will inevitably hurt the consumer later, with short-term and long-term repercussions, if not properly addressed. Additional analysis of the potential ramifications of these proposed programs is needed.

The critical nature of this kind of broad legislation is twofold. First, American automobile repair businesses and consumers purchase these quality recycled vehicle components every day to keep their vehicles running. These businesses and consumers rely on parts from recycled vehicles because of their substantial savings in reduced repair costs and lower insurance premiums, savings from the purchase of a replacement vehicle, and also for the strong environmental benefits. In fact, these two parts alone typically account for some 50% to 60% of a professional automotive recycler's sales — overall automotive recycling is a \$22 billion industry in the United States. Thus, Congress should understand the demand for such repair options, and consider the implications of restricting them.

Secondly, what may be a voluntary program for a consumer turning in a vehicle under the "Cash for Clunkers" program now quickly becomes a compulsory program for non-participating consumers later because of reduced access to replacement parts, which in turn causes inflated prices. Not to mention that these recycled automotive replacement parts have the same performance, safety, fit, and durability standards because they were made by the Original Equipment Manufacturers (OEMs). The Automotive Recyclers Association's (ARA) Executive Vice President Michael E. Wilson questions the sensibility of the program given the current situation of the automotive manufacturers. "With the daily questions in the media about the economic survival of major automobile manufacturers and their suppliers, how irresponsible is it for Congress to push for the needless scrapping of millions of replacement parts when the very supply chain for new parts is in jeopardy."

Ultimately, these efforts tread into uncharted waters. Even though these initiatives are modeled on prior programs, the major difference is the vehicle life years these programs now include. While earlier programs targeted vehicles 15 years and older, new initiatives target vehicles as current as 8 years old. With vehicles on America's roads averaging 9.7 years and trending older, the adverse financial consequences of these programs, especially on the average American family, is real and has not been adequately considered. There is also a significant risk that these programs will encourage future governments to treat motor vehicles more like a disposable product that can be routinely discarded based on any crisis or issue of the day instead of maximizing the vehicle's recycled parts content and its true life cycle on our roads.

The recovery, reuse, and resale of these quality recycled parts must remain readily available to the consumer who may not want or be able to financially retire their vehicle and will require access to parts from these vehicles for their future repairs.

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 <http://www.a-r-a.org/> or call (703) 385-1001.