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Government's CARS Program Update: Automakers, Dealers Call for More Funding

ALEXANDRIA, VA (July 31) – Despite reports last night that the government's CARS program, better known as Cash for Clunkers, would be suspended, the National Highway Traffic Safety Administration (NHTSA) made no such announcement. However, NHTSA has expressed concerns about exhausting the program's funds due to overwhelming consumer demand.

In terms of stimulating the economy, and greening the nation's roads, the \$1 billion CARS program has been an overwhelming success in a short period of time. The program's final rules were established just last week, on July 24.

"We urge the Administration to fully fund this program until the expiration of the programs statutory term, November 1, 2009. The program has substantially contributed to efforts to stabilize the downturn in automobile sales. There are many transactions with car dealers that have occurred because of this program. It is essential to continue this positive trend in the automobile industry" said Damon Lester, NAMAD President.

"Clearly this program stimulated car buyers who were looking to get back into the market," said AIADA President Cody Lusk. "We believe that additional funds should be allocated to ensure that the program can run its course and continue to revitalize our economy and our retail automotive sector."

"AIAM strongly encourages the extension of funding for this highly successful program," said Michael J. Stanton, President and CEO of the Association of International Automobile Manufacturers (AIAM). "We need to encourage American consumers to continue trading in their clunkers for new, safer, cleaner vehicles. This will not only help energize new car sales, it will provide a much needed shot in the arm to the U.S. economy."

"Alliance members urge the Administration to increase funding to this important program," said Alliance of Automobile Manufacturers President and CEO Dave McCurdy. "The very fact that we're at this point just days into the program shows how effective these incentives have been. In addition to seeing an increase in sales of more fuel efficient vehicles with the latest safety enhancements, we're seeing an increase in dealer traffic that will contribute to the wellbeing of automakers and the entire supply chain."

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About NAMAD: The National Association of Minority Automobile Dealers (NAMAD) founded in 1980 and based in Lanham, Maryland, represents new car and truck ethnic minority automobile dealers in the United States. www.namad.org