FROM THE PUBLISHER

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Cash for Clunkers – Bait and Switch?

What follows are thoughts and opinions of my own and not necessarily those of AERA.

Now that dust has settled on Cash for Clunkers, we can take an objective look at how it affects engine rebuilders. At first glance, it appeared to be detrimental to our engine core supply but how much of an impact remains unknown. It may help to recount steps that were taken as this program unfolded and was presented to AERA.

In the beginning, one of the Clunker programs was sold as a means of jumpstarting new auto sales and helps the environment in the process. It is hard to argue against helping the auto industry sell new vehicles and at the same time, get some of the gas guzzler engines in the hands of our rebuilders to renew them. Sounds noble and good so who would be against this? Time passed and we as an industry were asked if incapacitating engines under Clunker program guidelines would be a problem? Our answer was no because most core engines come to us that way now. Further along the development of a Clunker program, definitions were drafted and it was decided by those in charge that only the block would be exempt from rebuilding. We were less than pleased but felt it was still a workable compromise. Then details of what constituted an engine block became clear and how engines were to be incapacitated began to emerge. Every program engine was to be fed a liquid silicate poured directly into the oil supply that hardened with heat and quickly cause the engine to seize. If that was the extent of engine damage, we were still OK with it but as is so often the case, there was still more to come and the last definition of engine block was the final shoe to drop. Program officials decided an engine block was to be defined as the block and everything contained in it. That left just the head(s) and intake manifold available for rebuilding. When AERA heard that after seizing the engine via a silicate solution, every engine must be crushed or the government would not pay the dealer who took the trade under program guidelines, we understood that to mean no program engine components would survive for rebuilding. This course of action was tantamount to running over a dead horse just to be sure it will never run again. Clearly, those who crafted the program didn't want engines or engine components rebuilt even though it is the best form of recycling available. Recycling by the way, is something our government supports for almost all other industries.

I asked Mike Conlon, our AERA lobbyist, to shed light on why it was so important to crush the engine and leave all other drive train components alone (transmissions, third members, etc. were allowed to be rebuilt)? The answer was government didn't want these older polluting engines back in circulation through rebuilding. But was that one of the ultimate outcomes of the Clunker program? I don't have statistics on engines taken out of circulation through the Clunker program but one of the incentives was $3,500 for vehicles that got better gas mileage but were older vehicles ($4,500 for true gas guzzlers). Many eligible Clunker vehicles I saw had small bore engines that deliver in excess of 18 miles per gallon when new or fresh from rebuilding. Further to the point, some of these engines are still manufactured today and meet current fuel mileage and clean air regulations. If the Clunker program would have targeted older, large bore engines that when new, delivered less that 12 miles per gallon, a believable argument could have been made to take them off the street. But realistically, how many 455 Buick, 460 Ford and 454 Chevy's were traded under the Clunker program? Precious few is my guess.

So where does this leave us? Well, we will be down around seven hundred thousand core engines of undetermined origin. Whatever this means to our core supply almost certainly translates to potential shortages within some engine families and higher cost for remaining cores. If some of these shortages are too great and demand high, the aftermarket will answer by filling any component gaps created by the Clunker program. Either way, higher cost to engine shops give way to higher cost to consumers. Not exactly a model for recycling. And to think tax payer dollars were used for this.■

Prior to becoming president of AERA, John Goodman was director of the Advanced Technology Center (ATC) for Micromatic-Textron. The ATC focused on manufacturing honing solutions and studies for OEM engine manufacturers. Testing of traditional and unique honing abrasive systems, coolants, fixtures, tools and software were primary responsibilities of the ATC lab.