

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1550

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high polluting automobiles to replace such automobiles with new fuel efficient and less polluting automobiles or public transportation.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2009

Ms. SUTTON (for herself, Mr. BRALEY of Iowa, and Mrs. MILLER of Michigan) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high polluting automobiles to replace such automobiles with new fuel efficient and less polluting automobiles or public transportation.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Assistance  
5 to Recycle and Save Act of 2009”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) AUTOMOBILE; MANUFACTURER; MODEL;  
4 MODEL YEAR; PASSENGER AUTOMOBILE.—The terms  
5 “automobile”, “manufacturer”, “model”, “model  
6 year,” “passenger automobile,” and “work truck”  
7 have the meanings given such terms in section  
8 32901(a) of title 49, United States Code.

9 (2) CERTIFICATE OF TITLE.—The term “cer-  
10 tificate of title” means a valid State-issued title or  
11 other document showing ownership by a person of  
12 an automobile.

13 (3) DEALER.—The term “dealer” means a per-  
14 son engaged in any State in the business of selling  
15 or leasing in interstate commerce new automobiles  
16 (except a person buying such automobile as a dealer)  
17 to an ultimate purchaser.

18 (4) DISMANTLER.—The term “dismantler”  
19 means a person residing in a State and is licensed  
20 or otherwise authorized by a State or local govern-  
21 ment to operate a business employing 3 or more per-  
22 sons to take automobiles apart for the purpose of re-  
23 claiming usable parts and recyclable materials.

24 (5) DISTRIBUTOR.—The term “distributor”  
25 means a person who acts for, and is under the con-  
26 trol of, a manufacturer in connection with the dis-

1       tribution of new automobiles or new automobile en-  
2       gines, but shall not include any dealer with respect  
3       to such automobiles or engines received by such per-  
4       son in commerce.

5           (6)   ELIGIBLE   HIGH   POLLUTING   AUTO-  
6       MOBILE.—The term “eligible high polluting auto-  
7       mobile” means an automobile that, at the time it is  
8       presented for participation in the program estab-  
9       lished under section 3 of this Act, it—

10                   (A) is in drivable condition; and

11                   (B) has been continuously registered and  
12       licensed to operate on public roads in any State  
13       for a period of not fewer than 120 consecutive  
14       days immediately prior to such presentation.

15           (7) HIGH POLLUTING AUTOMOBILE.—The term  
16       “high polluting automobile” means an automobile  
17       that is either an inefficient or high polluting auto-  
18       mobile and that was issued a certificate of con-  
19       formity with the regulations prescribed under section  
20       202 of the Clean Air Act (42 U.S.C. 7521) for any  
21       model year before model year 2001, and is not a  
22       new fuel efficient automobile.

23           (8) HIGHWAY LABEL FUEL ECONOMY VALUE.—  
24       The term “highway label fuel economy value” means  
25       the number, expressed in miles per gallon, centered

1 directly below the words “Highway MPG” on the  
2 label required to be affixed or caused to be affixed  
3 on a new automobile pursuant to subpart D of part  
4 600 of title 40 Code of Federal Regulations.

5 (9) CITY LABEL FUEL ECONOMY VALUE.—The  
6 term “city label fuel economy value” means the  
7 number, expressed in miles per gallon, centered di-  
8 rectly below the words “City MPG” on the label re-  
9 quired to be affixed or caused to be affixed on a new  
10 automobile pursuant to subpart D of part 600 of  
11 title 40 Code of Federal Regulations.

12 (10) BATTERY ELECTRIC AUTOMOBILE.—The  
13 term “battery electric automobile” means an auto-  
14 mobile that—

15 (A) draws motive power from a battery  
16 with a capacity of at least 4-kilowatt hours; and

17 (B) is recharged from an external source  
18 of electricity for motive power.

19 (11) NEW FUEL EFFICIENT AUTOMOBILE.—  
20 The term “new fuel efficient automobile” means a  
21 model year 2009, 2010, or 2011 passenger auto-  
22 mobile, nonpassenger automobile, or work truck for  
23 which—

24 (A) a manufacturer, distributor, or dealer  
25 has never, except in accordance with the Pro-

1           gram established by this Act, transferred the  
2           equitable or legal title by contract, lease or  
3           other means thereof to an ultimate purchaser;

4           (B) a dealer participating in such Program  
5           may, during the period beginning after the date  
6           in calendar year 2009 that the interim final  
7           regulations required by section 3(f) of this Act  
8           are promulgated by the Secretary and ending  
9           on December 31, 2010, accept a voucher under  
10          such Program as an offset of the purchase price  
11          of such automobile paid by such purchaser; and

12          (C) at the time of such purchase of such  
13          automobile by an ultimate purchaser—

14                 (i) carries a manufacturer’s suggested  
15                 retail price of \$35,000 or less; and

16                 (ii) achieves the emission standard  
17                 listed as tier 2, bin 5 in table S04–1 under  
18                 section 86.1811–04 of title 40, Code of  
19                 Federal Regulation.

20          (12) NONPASSENGER AUTOMOBILE.—The term  
21          “nonpassenger automobile” means an automobile  
22          classified as a light truck under part 523 of title 49,  
23          Code of Federal Regulations, and is not a work  
24          truck.

1           (13) PERSON.—The term “person” has the  
2 meaning given such term in section 551 of title 5,  
3 United States Code.

4           (14) PLUG-IN ELECTRIC DRIVE AUTOMOBILE.—  
5 The term “plug-in electric drive automobile” has the  
6 same meaning given the term “new qualified plug-  
7 in electric drive motor vehicle” in section 30D(d)(1)  
8 through (4) of the Internal Revenue Code of 1986.

9           (15) PROGRAM.—The term “Program” means  
10 the Consumer Assistance to Recycle and Save  
11 (CARS) Program established by section 3 of this  
12 Act.

13           (16) REGISTERED WORK TRUCK.—The term  
14 “registered work truck” means a work truck that—

15           (A) a dealer, at the time of acquisition by  
16 an ultimate purchaser of a work truck for  
17 which a voucher under section 3 of this Act is  
18 applied, registers such truck as a commercial  
19 vehicle under the applicable State law for such  
20 purchaser as the registered owner thereof; and

21           (B) achieves the emission standard listed  
22 as tier 2, bin 5 in Table S04–1 under section  
23 86.1811–04 of title 40, Code of Federal Regu-  
24 lations.

1           (17) REGISTERED OWNER.—The term “reg-  
2           istered owner” means, with respect to an automobile  
3           or work truck, the person identified as the ultimate  
4           purchaser of such automobile or work truck on the  
5           title or other form or certificate of registration  
6           issued by a State.

7           (18) SCRAP RECYCLER.—The term “scrap recy-  
8           cler” means a person licensed or otherwise author-  
9           ized by a State or local government to do business—

10                   (A) employing 3 or more individuals at a  
11                   fixed location in a State, where machinery and  
12                   equipment are utilized for processing and man-  
13                   ufacturing scrap metal into prepared grades;  
14                   and

15                   (B) whose principal product is scrap iron,  
16                   scrap steel, or nonferrous metallic scrap for sale  
17                   for remelting purposes.

18           (19) ADMINISTRATOR; SECRETARY.—The terms  
19           “Administrator” and “Secretary” mean the Admin-  
20           istrator of the Environmental Protection Agency,  
21           and the Secretary of Transportation, respectively.

22           (20) STATE.—The term “State” has the mean-  
23           ing given such term in section 32101 of title 49,  
24           United States Code.

1           (21) ULTIMATE PURCHASER.—The term “ulti-  
2           mate purchaser” means, with respect to any new  
3           automobile, the first person who in good faith pur-  
4           chases such automobile for purposes other than re-  
5           sale.

6           (22) VOUCHER.—The term “voucher” means a  
7           voucher issued to the registered owner of an eligible  
8           high polluting automobile under section 3(a) of (g).

9   **SEC. 3. ACCELERATED RECYCLING OF INEFFICIENT VEHI-**  
10                                   **CLES PROGRAM.**

11           (a) ESTABLISHMENT.—There is established in the  
12           Department of Transportation a program to be known as  
13           the “Consumer Assistance to Recycle and Save (CARS)  
14           Program”, for fiscal years 2009 through 2011, through  
15           which the Secretary, in accordance with this Act and the  
16           regulations promulgated thereunder, shall—

17                   (1) encourage and allow any dealer, dismantler,  
18                   and scrap recycler in any State to participate in the  
19                   Program;

20                   (2) authorize the issuance by participating deal-  
21                   ers of a vouchers to any person who is a registered  
22                   owner of a high polluting automobile, and who  
23                   transfers such automobile, together with the applica-  
24                   ble certificate of title for the automobile, to a dealer,



1 or, in the case of subsection (g) of this section, to  
2 a dismantler or scrape recycler;

3 (3) require that all dealers participating in the  
4 Program accept vouchers submitted to them as pro-  
5 vided in this Act as partial payment for the pur-  
6 chase of a new fuel efficient automobile;

7 (4) require that each participating dealer agree  
8 to accept any high polluting automobile from a reg-  
9 istered owner thereof and upon the transfer by such  
10 owner of a certificate of title to such automobile  
11 shall issue a voucher for such automobile to the  
12 owner, which may be immediately redeemed by such  
13 owner for the purchase of a new fuel efficient auto-  
14 mobile that, using for comparison purposes only the  
15 average full economy standard applicable to the  
16 make and model of each such automobile (taking  
17 into consideration relevant factors established and  
18 published by the Secretary, in coordination with the  
19 Administration), is shown to be more fuel efficient  
20 than such high polluting vehicle;

21 (5) require that participating dealers, disman-  
22 tlers, and scrap recyclers agree to comply with the  
23 applicable provisions of subsection (e) of this section;  
24 and

1           (6) electronically transfer funds to a partici-  
2           pating dealer within 10 days after receipt from such  
3           dealer of—

4                   (A) a voucher issued by the dealer and re-  
5                   deemed for the purchase of a new fuel efficient  
6                   automobile; and

7                   (B) the applicable certifications required  
8                   under this Act.

9           (b) AMOUNT OF VOUCHER.—

10                   (1) VOUCHER REDEMPTION VALUE IF USED TO-  
11                   WARD PURCHASE OF NEW FUEL EFFICIENT AUTO-  
12                   MOBILE.—A voucher issued under the Program may  
13                   be applied to offset a portion of the purchase price  
14                   of one new fuel efficient automobile meeting the cri-  
15                   teria set forth in this paragraph, which portion shall  
16                   be the amount of—

17                           (A) \$4,000 for a—

18                                   (i) passenger automobile assembled in  
19                                   the United States with a minimum high-  
20                                   way label fuel economy value of 27 miles  
21                                   per gallon;

22                                   (ii) passenger automobile assembled in  
23                                   North America with a minimum highway  
24                                   label fuel economy value of 30 miles per  
25                                   gallon; or

1 (iii) nonpassenger automobile assem-  
2 bled in the United States with a minimum  
3 highway label fuel economy value of 24  
4 miles per gallon;

5 (B) \$5,000 for a—

6 (i) passenger automobile assembled in  
7 the United States with a minimum high-  
8 way label fuel economy value of 30 miles  
9 per gallon; or

10 (ii) work truck assembled in the  
11 United States registered by the dealer as a  
12 registered work truck; or

13 (C) \$3,000 for a nonpassenger automobile  
14 assembled in North America with a minimum  
15 highway value of 24 miles per gallon.

16 (2) NO COMBINATION OF VOUCHER REDEMP-  
17 TION VALUES.—The voucher redemption values  
18 under subsections (b)(1)(A), (b)(1)(B), and  
19 (b)(1)(C) of this section shall not be combined. If a  
20 new fuel efficient automobile meets the criteria set  
21 forth in more than one such subsection, the pur-  
22 chaser of the new fuel efficient automobile may des-  
23 ignate which subsection applies for purposes of de-  
24 termining the voucher redemption value.

1           (c) ADMINISTRATIVE PAYMENTS TO PARTICIPATING  
2 DEALERS, DISMANTLERS, AND SCRAP RECYCLING FA-  
3 CILITIES.—The Secretary shall provide for a payment of  
4 \$50, or another greater amount determined reasonable by  
5 the Secretary, to participating dealers, dismantlers, and  
6 scrap recyclers for each voucher issued under the Program  
7 in consideration of their administrative and other similar  
8 costs related to such issuance and for the issuance of the  
9 certification required by subsection (e)(3) of this section.

10           (d) LISTS OF ELIGIBLE AUTOMOBILES TO BE MAIN-  
11 TAINED.—The Secretary shall prepare, maintain, pub-  
12 licize, and make available through the Internet, lists of  
13 automobiles, classified by make and model, which are clas-  
14 sified under this section as—

- 15                   (1) eligible high polluting automobiles; or  
16                   (2) new fuel efficient automobiles.

17           (e) PROGRAM SPECIFICATIONS.—

18                   (1) LIMITATIONS.—

19                           (A) NUMBER OF VOUCHERS PER PER-  
20 SON.—A person may be issued not more than  
21 1 voucher and the person must demonstrate, in  
22 a manner prescribed by rule by the Secretary,  
23 that such person—

- 24                                   (i) is the registered owner of an eligi-  
25 ble high polluting automobile; and

1           (ii) attests that such high polluting  
2           automobile has not been imported into the  
3           United States during the previous 4-month  
4           period.

5           (B) OFFSET.—A dealer—

6           (i) shall credit the amount of the  
7           voucher being applied toward the purchase  
8           of a new fuel efficient automobile; and

9           (ii) may not offset the amount of the  
10          voucher against any other rebate or dis-  
11          count otherwise being offered by the dealer  
12          or manufacturer.

13          (C) JOINT OWNERSHIP.—Not more than 1  
14          voucher may be issued to the joint registered  
15          owners of an eligible high polluting automobile.

16          (D) NO COMBINATION OF VOUCHERS.—A  
17          person may only apply 1 voucher issued under  
18          the Program toward the purchase of a new fuel  
19          efficient automobile.

20          (E) COMBINATION WITH OTHER INCEN-  
21          TIVES PERMITTED.—Notwithstanding any other  
22          provision of law, the availability or use of a  
23          Federal or State tax incentive or a State-issued  
24          voucher for the purchase of a new fuel efficient  
25          automobile shall not limit the value or issuance

1 of a voucher under the Program to any person  
2 otherwise eligible to receive such a voucher.

3 (F) DURATION.—Each voucher shall expire  
4 90 days after the date on which the voucher is  
5 issued and may not be renewed.

6 (G) PROMPT FULFILLMENT OF REDEMP-  
7 TION REQUESTS REQUIRED.—The Secretary  
8 shall provide for the payment of all vouchers  
9 submitted to the Secretary for redemption in  
10 accordance with this section.

11 (H) NUMBER AND AMOUNT.—The total  
12 number and value of vouchers issued under the  
13 Program may not exceed the amounts appro-  
14 priated for such purpose.

15 (2) ADMINISTRATION OF PROGRAM.—The Sec-  
16 retary shall establish by the date interim final regu-  
17 lations are promulgated under subsection (f) of this  
18 section a web-based system for the administration  
19 and electronic transfer of vouchers and funds for the  
20 Program. The web-based system shall at a min-  
21 imum—

22 (A) provide information to the public re-  
23 garding the purposes of the Program, and how  
24 to obtain and redeem vouchers;

1 (B) provide information to consumers re-  
2 garding the availability of new fuel efficient  
3 automobiles for which vouchers may be used  
4 and transit passes or fare credit;

5 (C) provide information to participating  
6 dealers, dismantlers, and scrap recyclers re-  
7 garding how to verify that a registered owner  
8 requesting a voucher has an eligible high pol-  
9 luting automobile;

10 (D) provide for the electronic issuance of  
11 vouchers once eligibility has been verified; and

12 (E) provide electronic fund transfer of  
13 funds to participating dealers, dismantlers, and  
14 scrap recyclers in accordance with section. In  
15 addition to the web-based system, the Secretary  
16 may use such other means as the Secretary  
17 deems necessary to educate consumers regard-  
18 ing the voucher program and carry out other  
19 aspects of the program.

20 (3) DISPOSITION OF ELIGIBLE HIGH POL-  
21 LUTING AUTOMOBILES.—

22 (A) IN GENERAL.—Any dealer who re-  
23 ceives a certificate of title to any eligible high  
24 polluting automobile in exchange for a voucher  
25 under the Program shall certify to the Sec-

1           retary, in such manner as the Secretary shall  
2           prescribe, by rule, that such title has been re-  
3           tired or otherwise extinguished and not re-  
4           issued and that the dealer has received from a  
5           dismantler or recycler a certification that such  
6           automobile, engine and drive train (within such  
7           period as the Secretary prescribes by rule)—

8                   (i) will be crushed or shredded within  
9                   such period as the Secretary prescribes;

10                   (ii) will be processed prior to crushing  
11                   or shredding to ensure the removal and ap-  
12                   propriate disposition of refrigerants, anti-  
13                   freeze, lead products, mercury switches,  
14                   and such other toxic or hazardous vehicle  
15                   components as the Secretary may specify  
16                   by rule; and

17                   (iii) has not been, and will not be, reg-  
18                   istered, sold, leased, exchanged, distrib-  
19                   uted, or otherwise operated at any time as  
20                   an automobile in the United States or in  
21                   any foreign country.

22                   (B) SAVINGS PROVISION.—Nothing in sub-  
23           paragraph (A) may be construed to preclude a  
24           dismantler or recycler from—



1 (i) removing any parts of such  
2 crushed or shredded high polluting auto-  
3 mobile, other than the engine block and  
4 drive train, and selling them for use as re-  
5 placement parts; or

6 (ii) retaining the proceeds from such  
7 sale.

8 (C) COORDINATION.—The Secretary shall  
9 coordinate with the Attorney General to ensure  
10 that the National Motor Vehicle Title Informa-  
11 tion System is appropriately updated to reflect  
12 the crushing or shredding of high polluting  
13 automobiles under this section.

14 (f) RULEMAKING.—Not later than 60 days after the  
15 date of the enactment of this Act, the Secretary shall pro-  
16 mulgate interim final regulations to implement the Pro-  
17 gram, including—

18 (1) the removal and disposition of toxic or haz-  
19 ardous materials from eligible high polluting vehicles  
20 presented for participation in the program; and

21 (2) the enforcement of the penalties described  
22 in section 4 of this Act.

23 (g) TRANSIT FARE CREDITS.—The Secretary shall  
24 promulgate regulations establishing criteria that allow op-  
25 erators of bus and rail public transit systems participating

1 in the program to redeem from the Secretary the allowable  
2 value of transit fare vouchers properly issued by such op-  
3 erators to any person who is a registered owner of a high  
4 polluting automobile under this Act to offset the purchase  
5 price of annual or monthly transit passes or any other  
6 form of individual transit fare credit designated by the  
7 transit system operator. Participating transit system oper-  
8 ators shall establish the terms and conditions for the own-  
9 ership, use, and expiration of any transit fare credits ac-  
10 quired through the use of a transit fare voucher issued  
11 under this subsection. Such transit vouchers may only be  
12 issued by a person who is a dismantler or scrap recycler  
13 in lieu of vouchers issued under subsection (a) if a high  
14 polluting automobile of a registered owner is accepted by  
15 any such dismantler or scrap recycler, such owner trans-  
16 fers the certificate of title for such automobile to either  
17 such person, and such voucher includes the certification  
18 by such dismantler or recycler required by subsection  
19 (e)(3) of this section. The amount of any such voucher  
20 shall be \$3,000. The Secretary shall electronically transfer  
21 funds to cover such vouchers to such operators.

22 (h) DISCLAIMER.—Nothing in this Act or any other  
23 provision of law limits the authority of Congress or the  
24 Secretary to terminate or limit the Program or the

1 issuance of vouchers under this Act or the issuance of  
2 transit fare vouchers.

3 **SEC. 4. PENALTIES.**

4 (a) VIOLATION.—It shall be unlawful for any person  
5 to violate any provision under this Act or any regulations  
6 issued pursuant to section 3(f) of this Act.

7 (b) PENALTIES.—Any person who commits a viola-  
8 tion described in subsection (a) shall be liable to the  
9 United States Government for a civil penalty of not more  
10 than \$5,000 for each violation. A separate violation shall  
11 be deemed to have occurred for each day the person con-  
12 tinues to be in violation of any provision under this Act.

13 **SEC. 5. REPORT.**

14 The Secretary shall submit a semi-annual report to  
15 the Committee on Commerce, Science, and Transportation  
16 of the Senate and the Committee on Energy and Com-  
17 merce of the House of Representatives that specifies, for  
18 the most recent 6-month period—

19 (1) the number of vouchers which have been  
20 used under the Program; and

21 (2) the make, model, model year, location of  
22 sale, and manufacturing location of each vehicle  
23 traded in or purchased under the Program.

1 **SEC. 6. POST-2010 VOUCHERS TO RECYCLE INEFFICIENT**  
2 **VEHICLES AND ENCOURAGE PURCHASE OF**  
3 **NEW BATTERY ELECTRIC AUTOMOBILES AND**  
4 **PLUG-IN ELECTRIC DRIVE AUTOMOBILES.**

5 Effective for model year 2011, the Secretary shall,  
6 by rule, revise the Program established under section 3  
7 of this Act to provide for the issuance by dealers of vouch-  
8 ers to registered owners of a high polluting automobile,  
9 who transfer a certificate of title to such automobile to  
10 the dealer to be redeemed in such model year and for two  
11 subsequent model years to offset the purchase price of a  
12 new battery electric automobile or a new plug-in electric  
13 drive automobile, in accordance with the applicable provi-  
14 sions of this Act and related regulations, as so revised or  
15 modified by the Secretary consistent with this section. For  
16 purposes of determining the amount of a voucher issued  
17 under this section for purposes of such redemption, the  
18 voucher amount shall be \$7,500 for either a passenger or  
19 nonpassenger automobile assembled in the United States  
20 and each such automobile shall have a minimum city label  
21 fuel economy value of 100 miles per gallon.

22 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

23 There are authorized to be appropriated such sums  
24 as may be necessary to the Secretary of Transportation  
25 to enable the Secretary to carry out the Program author-  
26 ized under section 3 of this Act beginning in calendar year

- 1 2009, under section 6 beginning in calendar year 2010,
- 2 and such sums shall remain available until expended.

○