



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

January 15, 2009

The Honorable Harry Reid
Majority Leader of the U.S. Senate
Washington, DC 20510

The Honorable Daniel Inouye
Senate Committee on Appropriations
Washington, DC 20510

Dear Majority Leader Reid and Chairman Inouye,

We are writing to urge Congress to include in the economic stimulus package the Accelerated Retirement of Inefficient Vehicles Act of 2009 (ARIVA), which will speed the retirement of the least efficient vehicles on the nation's roadways, accelerate the use of more efficient vehicles, and serve as a critically important stimulus to our struggling economy.

One of the greatest challenges the Congress faces in crafting a stimulus package to respond to the severe economic downturn is to ensure that spending to stimulate the economy in the short-term provides the basis for good long-term policy. The need to ensure that stimulus and good policy go hand in hand is especially important in areas that have high national priorities, like energy policy.

ARIVA fits the bill. In the long term, the U.S. needs to lower its oil consumption and refocus the auto industry on manufacturing more fuel efficient cars. This is exactly what ARIVA does by paying a bounty when the worst gas guzzlers are traded in for much more fuel efficient vehicles. Since the ultimate goal is to cut gasoline consumption, the bill takes an appropriately flexible approach to providing incentives to get gas guzzlers off the road. The bill pays a sizable incentive only for vehicles that are well below the average fuel economy that are replaced by vehicles well above the fuel economy standard of that year. It also rewards people who choose to switch to mass transit, which saves a great deal more energy than operating the most fuel efficient vehicle.

In the short-term, the bill will help to stimulate demand for new vehicles. The program can be implemented quickly. And because the program is based on fuel economy jumps from below 18 mpg to above 26, it will have an immediate impact on reducing dependence on foreign oil.

This is a simple, common sense program that furthers the energy policy and the need for stimulus in a sector that is suffering greatly as a result of the current downturn. We urge you to include this program in any stimulus package.

Sincerely,

Mark Cooper, Director of Research

cc: Chairman Dorgan
Ranking Member Cochran
Senator Feinstein
Senator Collins