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August 6, 2009

Available Online: dpc.senate.gov

H.R. 3435, Making Supplemental Appropriations for the Consumer Assistance to Recycle and Save Program

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Summary and Background

In June, Congress passed and the President signed **H.R. 2346**, the *Supplemental Appropriations Act, 2009* (P.L. 111-32), which established and appropriated \$1 billion for a program within the National Highway Traffic Safety Administration known as the “Consumer Assistance to Recycle and Save Program” (CARS) (commonly referred to as the “Cash for Clunkers” program). The purpose of the program and the \$1 billion appropriation was to increase auto sales and improve the fuel economy of the nation’s vehicle fleet.

On July 27, 2009, the Department of Transportation initiated the program after the Environmental Protection Agency completed a review of the fuel economy ratings of the nation’s vehicle fleet. On July 30, 2009, the Obama Administration notified Congress that the program’s funding would soon be exhausted because a larger than expected number of trade-ins were occurring.

In response, on July 31, 2009, Congressman Obey introduced **H.R. 3435**, which would provide an additional \$2 billion for the CARS program. The \$2 billion that **H.R. 3435** would provide for an extension of the CARS program would be transferred from \$2 billion previously appropriated by the *Recovery Act* for loan guarantees that support the rapid deployment of renewable energy systems, electric power transmission systems, and leading edge biofuel projects. **H.R. 3435** was passed in the House by a vote of 316 to 109.

Due to concerns over the potentially negative impact this offset could have on the long-term certainty of and investor interest in renewable energy, transmission and biofuels project financing, the President has promised to work with Congress to restore these funds in the very near future.

The Senate will consider **H.R. 3435** on August 6, 2009.

Major Provisions

H.R. 3435 would give the President the authority to transfer \$2 billion previously appropriated by the *Recovery Act* for the CARS Program.

The \$2 billion that the President would be given the authority to transfer from the *Recovery Act* was previously appropriated for loan guarantees that support the rapid deployment of renewable energy systems, electric power transmission systems, and leading edge biofuel projects.

Legislative History

H.R. 3435 was introduced and passed by the House of Representatives on July 31, 2009, by a vote of 316 to 109.

Expected Amendments

The following amendments are the only ones in order to **H.R. 3435**:

- Harkin amendment on income limits;
- Kyl amendment on status reports;
- Gregg amendment on the budget resolution;
- Vitter amendment on the Troubled Asset Relief Program;
- Coburn amendment on donations;
- Thune amendment on government ownership; and
- Isakson amendment on home purchases.

CBO Estimate

At the time of publication, the Congressional Budget Office has not issued an estimate of **H.R. 3435**. However, **H.R. 3435** as passed by the House, is not expected to have any budget impact because it is an intergovernmental transfer.

Administration Position

At the time of publication, no Statement of Administration Policy has been issued for **H.R. 3435**.

However, on July 31, 2009, President Obama praised the House of Representatives for passing **H.R. 3435** “quickly and in a bipartisan way” and urged the “Senate to act with the American consumers in mind to pass this important legislation.”