

**New York Times**  
August 4, 2009

"All the News  
That's Fit to Print"

# The New York Times

**National Edition**

Florida: A mix of clouds and sunshine, with scattered afternoon and evening thunderstorms. Muggy. Highs 90-95 in most places. Weather map is in SportsSunday, Page 10.

VOL. CLVIII . . No. 54,755

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SUNDAY, AUGUST 2, 2009

Printed in Fort Lauderdale

\$6.00

## Confusion Surrounds 'Clunkers' Program

By KATHARINE Q. SEELYE

When the White House and Congress decided late last week to give their "cash for clunkers" program a reprieve, they did little to relieve harried and befuddled automobile dealers and customers trying to sort it out.

"There is absolute frustration across the board," said Alex Kurkin, a Miami lawyer representing several car dealers. "They're not really confident about any deals, and no one can give them advice about what they should be telling their customers."

The program allocated \$1 billion for rebates of up to \$4,500 to customers trading in clunkers for more fuel-efficient new vehicles. It was set to expire in November, but on Thursday, the federal Transportation Department said it had been so popular that the money was gone in days.

Officials advised dealers to stop offering the rebates, and the program appeared suspended. But White House officials said it had not been. On Friday, the House authorized \$2 billion more to replenish the program. But the Senate will not vote until next week, so until then, the status of the program is unclear.

While many in Washington hailed the program as a success for the auto industry, it has left some dealers anxious over whether there will be enough money to repay them for rebates they have already given.

Barry Magnus, the general manager at DCH Paramus Honda in New Jersey, said he had sold more than two dozen new cars under the program but was still owed more than \$80,000. The government had said it would take 10 days to reimburse dealers, and that was before the program ran out of money. The government Web site on which dealers were supposed to register their deals crashed, and many dealers have not been able to up-

date their information.

The program requires that the clunkers be put out of service for good. The engines must be destroyed. So, after a certain point, any decision to trade in an old car is irreversible.

Nick Clites, who is in charge of used cars at DCH, took a reporter through the process as he prepped a 1988 BMW, with 214,000 miles on the odometer, for its death. He drained the oil, then donned a silky blue protective suit, goggles and gloves and poured a sodium silicate solution into the engine. He revved the car, and within seconds, the solution hardened, the engine seized up and was kaput.

Wreckers were called to pick up the car, remove the spoiled engine and crush the car. They have to certify that the cars have been crushed and rendered inoperable before the government will process reimbursement claims.

When the program appeared to run out of money, dealers became even more anxious to get the clunkers off their lots quickly.

"Oh my God, what a mess today," Sally Ann Maggio, a co-owner of Hackensack Auto Wreckers, said Friday. "We have been overwhelmed with phone calls from the dealerships. They're hitting the panic button."

Ms. Maggio said she did not think much of the program to begin with because she made her profit by reselling engines from junked cars. But the scrap is worth something.

Dan Cohen, a retired lawyer on Long Island, made a deal to trade in his 1988 Jeep for a new Toyota in early July, before the program went into effect (and when showrooms were quiet). He qualified for a \$4,500 dealer rebate and said he signed a contract that also gave him \$500 as scrap value. When he returned Friday to complete the deal, the showroom was "crawling with customers," he said — and the dealer cut the scrap fee to \$100.

So the deal is off. "I may not get the \$4,500," Mr. Cohen said, "if I go somewhere else and the federal allotment is used up already." He said that if he could not find a comparable deal, he might sue. (Calls to the dealer for comment did not go through.)

Mr. Kurkin, the Miami lawyer, said many dealers were adding clauses to their sales contracts, saying that if the rebates did not come through, the customer would have to pay the difference.

"If a dealer doesn't have a separate document addressing this possibility, the dealer will likely have to eat it," he said. "I certainly see a lot of litigation over this."