"Cash For Clunkers" Hurting Salvage Yards, Dealers

DAYTON, Ohio (AP) —The Cash for Clunkers program has been a boost to car sales, but the concerns of some salvage yard owners and car dealers show that not everyone is happy.

Richard Harris, owner of Valley Auto Parts in Dayton, said the program's requirement that clunkers' engines and drivetrains be destroyed will lead to fewer parts and higher prices.

"Used parts are going to be fewer and fewer," said Harris. "It's hard to stock a yard even if you have 1,000 cars," he said, because "parts don't interchange any more," and there are so many makes and models.

"It just don't make sense to lock up a good engine and destroy a good car," said Harris, who hasn't received any cars yet.

Tim Caldwell, owner of Dayton Xenia Auto Parts in Xenia, also is approved for the clunkers but said he's not accepting the vehicles because of safety concerns. Caldwell said he learned this week that disabling the motors yields a toxic substance when the components melt together that could cause skin irritations and be hazardous to workers in unventilated areas.

Caldwell echoed the concerns about higher prices for spare parts, saying the lack of availability of SUV and truck parts was going to cause a price increase.

Chuck Adkins of Adkins Auto Salvage in Miamisburg said he was deterred by all the rules. Salvage yards can't sell the engines and drivetrains, and the cars have to be kept separate from other vehicles the business receives, he said.

Some local car dealers also question the program.

"It's working OK, but on the whole it's probably not working as intended," said Jim Taylor, owner of Troy Ford Inc. in Troy. "We're not getting real clunkers. The cars we're getting are still drivable."

Taylor said 15 or 16 of the 25 cars he's gotten he would have retailed or given to somebody in need of a car.

"It's a pretty good deal for consumers, but these people probably would have bought from us in the future (anyway)," he said.

A local towing company said the program has boosted its business.

Sandy's Towing contracted with Franklin Iron & Metal to haul clunkers from about 25 dealerships in the area, said Doug Thoma, co-owner of the towing company.

"We've towed about 200 cars," he said. "That won't even touch what's sitting on the ground waiting for the government to pay the dealers. Some dealers have 40 or 50 cars sitting on their lots."

Check out more headline news [1].

Source URL (retrieved on *08/29/2014 - 9:34pm*):
http://www.impomag.com/news/2009/08/cash-clunkers-hurting-salvage-yards-dealers?qt-recent_content=1

Links:
[1] http://www.impomag.com/scripts/PRArchive~RPTID~ARCHIVE~RELTYPE~HLN~DISPTYPE~FULLARCH.asp