



To: Interested Parties

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Date: July 26, 2021

RE: 5 Clean Cars Investments Congress Must Include in Reconciliation to Meet President Biden's Commitments

When President Biden unveiled the [American Jobs Plan](#), he put forward a \$174 billion investment to “win the [electric vehicle] market.” But the bipartisan infrastructure deal the White House [celebrated](#) last month contained only \$15 billion in investments for electric vehicles, split between charging infrastructure and buses. This paltry sum agreed to by Republican senators is not only a tiny fraction of what President Biden committed to, but it is also woefully inadequate to fully seize the opportunities presented by electric vehicles or to meet Biden’s own climate goals.

Now, especially amid [rumors](#) that ongoing negotiations may even bring the total for clean vehicles in the bipartisan package below \$15 billion, Democrats in Congress must fill the gap in budget reconciliation with at least \$159 billion toward the production and adoption of electric vehicles. Budget Committee Chairman Bernie Sanders has already committed to [“very significant”](#) investments to make clean cars affordable for more Americans, but the reconciliation bill must go even further than that.

Transportation contributes more pollution to the climate crisis than any other sector of the American economy, [responsible](#) for 29% of our overall greenhouse gas pollution in 2019. And within the transportation sector, light duty vehicles—cars and trucks—make up [well over half](#) of the pollution. This means passenger cars are the most polluting part of the most polluting sector of the economy. But we can change that. Deploying electric vehicles [could](#) help get us nearly a [quarter of the way](#) to meeting the Nationally Determined Contribution (NDC) that President Biden laid out in April, promising a 50-52% reduction in domestic greenhouse gas pollution by 2030. After the Clean Electricity Standard, electric vehicle investments would be the second greatest driver of decarbonization in the reconciliation package.

In addition to their climate benefits, clean cars present several other critical opportunities—they can reduce toxic air pollution that [disproportionately sickens](#) communities of color, and kickstart a manufacturing revolution that puts Americans to work in good-paying jobs and provides a better product to all consumers. And



electric vehicles can give every American driver their own energy independence, freeing them from ever having to fill up at the gas station pump again.

To realize these opportunities, Democrats in Congress must pass robust clean car investments this summer. Investments in the 5 areas below, coupled with the administration's full use of existing regulatory authorities, can build America's clean car future:

1. Equitable Consumer Incentives for Electric Vehicles
2. Clean Car Manufacturing
3. Clean Car Charging Infrastructure
4. Federal Fleet Procurement
5. Clean Electricity

The Biden administration and Democrats in Congress cannot settle for less than what is necessary. Driving toward a future of clean cars—and the corresponding pollution-free and job-rich reality—requires bold and ambitious investments, immediately. This memo explains what Congress must do, and why.

Achieving a Clean Car Future Presents a Huge Opportunity for the American People

Swiftly advancing a bold clean cars agenda has a multitude of benefits. Tailpipe emissions from vehicles in the United States that use gasoline and diesel are [responsible](#) for thousands of premature deaths every year. Because of racist environmental policymaking and segregation, pollution from both light- and heavy-duty vehicles disproportionately harms communities of color, causing [huge disparities](#) in environmental harm. By increasing the use of electric vehicles (EVs), alongside investments in clean transit, other transportation options, smart growth, and affordable housing, we can protect hundreds of thousands of [lives](#).

Moreover, the United States is currently losing out on the opportunity to create jobs and lead the global EV manufacturing sector. The US share of global EV manufacturing is [falling](#), and at risk of ceding the global market entirely. If this current pace of EV production continues, Americans will remain reliant on [imported](#) electric vehicles for [decades](#) to come. But if Congress takes bold action now, the US could take charge of the EV market, creating [millions](#) of good-paying jobs here at home.



An expanding EV market will also save consumers money. EVs cost on average 40% [less](#) to maintain than traditional gas vehicles. Some studies suggest that with the widespread adoption of electric vehicles, consumers would [save](#) up to as much as \$2.7 trillion before 2050, or \$6,000 to \$10,000 [per](#) vehicle. And consumers would no longer be captive to the pricing whims of multinational fossil fuel corporations.

And finally, swiftly deploying clean cars is critical to defeating the climate crisis. Cars are the most climate-polluting part of the most climate-polluting sector of the US economy. The global community must operate on net-zero greenhouse gas pollution no later than 2050 if we hope to avoid the worst impacts of climate change. But that does not mean we have until 2050 to stop producing gas-guzzling cars—cars stay on the road for a decade or more. And the faster we reduce pollution in light duty vehicles, the more climate disasters and health harms we avoid, the more jobs we create here at home, and the more we can help other countries reduce their greenhouse gas pollution with American-made clean cars.

5 Clean Cars Investments Congressional Democrats Must Include in Reconciliation

Despite the size of the opportunity presented, the bipartisan infrastructure framework leaves a multitude of electric vehicle investments on the table. The Biden administration and Congressional leaders must not back away from what is needed to kickstart an electric vehicle revolution and build a clean energy economy.

In his American Jobs Plan, President Biden committed to investing \$174 billion in EVs. But the bipartisan infrastructure framework negotiated between the White House and a small group of senators included merely \$15 billion (a number that may have already been cut in negotiations). The reconciliation package, then, must include *at least* \$159 billion in clean cars investments. That includes roughly \$100 billion for light-duty consumer incentives, \$22.5 billion for charging infrastructure, \$20.5 billion for manufacturing incentives, and \$6 billion for federal EV procurement, all while cleaning up the grid. An additional \$10 billion should go to providing incentives to electrify heavy-duty commercial fleets. We cannot afford to leave any of these investments on the cutting room floor simply in the name of bipartisanship. Congress must fully fund the tools necessary to swiftly deploy clean cars.

As called for in Evergreen's [Clean Jumpstart 2021](#), all of these investments should, wherever possible, be accompanied by strong workplace and labor protections, and a commitment that 40% of the investments go to disadvantaged communities to match



President Biden's Justice40 initiative and counter generations of environmental racism.

High wages, safe workplaces, and real protections for the unions that bargain for and support workers are the foundations of an economy that works for everyone. We cannot allow companies to use the transition to clean cars to skip out on their duties to the workers they employ. Public investments for consumers, manufacturing, and charging infrastructure should be increased for or conditioned upon companies and products that are produced domestically, and that rely on union labor or guarantee workers a fair shot at unionization through card check and neutrality.

Alongside labor protections, still more can be done to ensure that the benefits of the EV revolution are flowing to the communities that need them most. EV tax incentives should be increased for manufacturing facilities and charging infrastructure in disadvantaged communities that have borne the brunt of environmental racism, and for consumers who need more assistance to purchase an EV. As we electrify our transportation sector, we must ensure that EVs are increasingly affordable and accessible to all consumers. President Biden committed to ensuring that 40% of the benefits from climate investments flow to disadvantaged communities—the reconciliation package must follow through. Each of the following investments must be fully funded and appropriately targeted.

1. Consumer Incentives for Electric Vehicles

In order for the EV revolution to take off, consumers must be on board. And while the cost of EVs is rapidly falling, consumer incentives can help make these vehicles attractive and accessible for all Americans. Incentives are particularly important to ensuring that low-income Americans who are more likely to live in communities that are overburdened by pollution and other structural inequities can benefit from EVs, even as we also build out clean transit. Congress should invest at least \$100 billion in incentives for consumers to buy and rent light-duty EVs, through the following programs:

- **Extend and expand the Electric Vehicle Tax Credit for consumers.** This credit should be turned into a point-of-sale [rebate](#) or refundable tax credit, such that consumers can receive the money immediately and the benefit is not dependent on the consumer's tax liability (a structure that at present predominantly benefits wealthier consumers). Congress should also eliminate



the current cap on manufacturers' allowable credits, and extend the credit to apply to the purchase of a used electric vehicle. The [Clean Energy for America Act](#) also increases the credit for cars made domestically, and cars made with union labor, as called for in Evergreen's [Clean Jumpstart Plan](#).

- **Create a Clean Cars for Clunkers program.** Modeled on the 2009 “Cash for Clunkers” program, this program would allow consumers to trade in their fossil fuel powered vehicles and receive a rebate that they can apply to the purchase of an electric vehicle. And as proposed in the 2019 [Clean Cars for America](#) plan from Senator Chuck Schumer (D-NY), the consumer rebate should increase for low-income Americans, and for cars made with union labor in the United States.
- **Provide incentives to rent EVs from car-for-hire services.** Many consumers currently [feel](#) they do not know much about EVs. When consumers are [exposed](#) to electric vehicles, they become more excited about them, more familiar with them, and more likely to buy them.

2. Clean Car Manufacturing

Providing support to build clean vehicles here in the United States will kickstart a manufacturing revolution that can put millions of Americans to work in good-paying, union jobs. Congress should devote at least \$20.5 billion to clean vehicle manufacturing, through the following programs. These investments should be made alongside congressional and administrative action to secure critical mineral supply chains, as begun in the administration's June 8th [executive order](#).

- **Expand the Advanced Technology Vehicle Manufacturing Program**, which provides low-cost capital for manufacturing clean cars and their components. Reps. Debbie Dingell (D-MI) and Julia Brownley (D-CA) have introduced [legislation](#) reforming the program, which would broaden the definition for qualifying projects, include EV battery technology, and strengthen prevailing wage requirements.
- **Fund the Section 132 Domestic Manufacturing Conversion Grant Program**, as authorized in the bipartisan *Energy Independence and Security Act* of 2007. This program was intended to help existing manufacturing facilities shift to building clean cars, giving special consideration to facilities that have recently ceased other operations. But the program has never been funded.



- **Invest in an Advanced Energy Manufacturing Tax Credit.** Based on the successful 48(c) provision of the *American Recovery and Reinvestment Act* of 2009, a new Advanced Energy Manufacturing Tax Credit, like the one [proposed](#) by Senators Joe Manchin (D-WV) and Debbie Stabenow (D-MI), would provide support for the manufacturing of clean energy technology, including electric vehicles. While this credit appears in the bipartisan infrastructure framework, it should receive additional funding, and be expanded for facilities that are located in communities where any type of fossil fuel facility has recently closed, and for communities that have been overburdened by pollution and other structural inequities.
- **Fund Advanced Battery Manufacturing Grants.** By providing funds directly for the manufacturing of batteries, Congress could kickstart the entire production process of batteries needed to power electric vehicles. This program would mirror and build upon the \$2 billion investment championed by then-Representative Jay Inslee (D-WA) in the *American Recovery and Reinvestment Act* of 2009.
- **Provide money for the Department of Energy’s Advanced Manufacturing Office, as well as National Academy of Sciences,** to support the creation of a government-wide clean manufacturing plan. With more capacity and planning, these offices could increase technical assistance programs to the electric vehicle manufacturing industry, and deploy more efficient strategies across the government to support clean manufacturing.

3. Clean Car Charging Infrastructure

The infrastructure needed to support electric vehicle charging will be crucial for ensuring their successful deployment, allowing people to complete long-range trips with no anxiety about finding a place to charge their vehicle. The bipartisan infrastructure framework calls for a paltry \$7.5 billion to support the expansion of electric vehicle charging—significantly more is required. Congressional Democrats should not settle for less than what is needed, including:

- **Put at least \$22.5 billion more toward electric vehicle charging infrastructure,** through consumer equipment rebates and through grants to state, local, and tribal authorities. This money should be used to support charging at traditional gas stations, workplaces, multi-unit apartment buildings, school districts, and



other public infrastructure, as envisioned in H.R. 3684, the [INVEST in America Act](#).

- **Ensure charging infrastructure is equitably placed.** Structural inequities are [already](#) evident in EV charging infrastructure deployment—charging stations are more likely to exist in wealthier, whiter neighborhoods than in lower-income communities of color. Congress must rectify these continued injustices by providing additional incentives for placing EV chargers in the communities that are disproportionately burdened with pollution from cars and trucks, and by providing incentives for state and local building codes that enable charging infrastructure at multi-unit dwellings.
- **Allow charging infrastructure at federal rest stops.** Currently, EV chargers are not [allowed](#) at rest stops on federal highways, thanks to a ban on commercial activity in those locations. Congress should advance the proposal in H.R. 3684, the [INVEST in America Act](#), to allow for electric vehicle chargers at these rest stops.
- **Extend and improve the Alternative Fuel Vehicle Refueling Property Investment Tax Credit (ITC),** also known as 30(C), which expired last year. This tax credit should support the purchase of clean vehicle charging and fueling infrastructure, with a special eye toward ensuring fuels are truly clean and renewable. Congress should also remove the per-location cap, and ensure the credit is refundable.
- **Support training and placement programs for electricians.** A pipeline of well-trained electricians will be essential to properly installing EV charging infrastructure across the country. Programs like the Electric Vehicle Infrastructure Training Program ([EVITP](#)), which partners with numerous industry groups, provides this training, alongside certification and pathways for placement for union jobs in both residential and commercial installation. Congress should provide grants to this and other training programs.

4. Procurement for the Federal Fleet

The federal government can use its own purchasing power to kickstart EV manufacturing, and to demonstrate the numerous benefits of electric vehicles. Currently, the federal fleet has roughly 645,000 vehicles, 224,000 of which are passenger vehicles. Congress should fulfill President Biden's [request](#) of \$300 million



for the General Services Administration to speed the adoption of electric vehicles across the federal government, including rental cars. And Congress should also provide at least \$6 billion to USPS and require it to immediately replace its aging and high-emission fleet with electric vehicles. This contract should be given to a manufacturer that relies on union labor.

5. Clean Grid

While electric vehicles on the road today already produce [much less](#) greenhouse gas pollution than gas-powered cars, decarbonizing the electric grid would allow these cars to be even cleaner. Congress should pass a strong Clean Electricity Standard (CES) or CES-like investment program that moves the US toward 80% clean electricity by 2030 and 100% by 2035. The CES should be accompanied by robust long-term clean energy tax credits. These credits should be made more accessible through direct-pay, tied to labor standards, and expanded for projects in disadvantaged communities.

To further drive effective decarbonization of the electricity grid, Congress should also invest in distributed energy generation and expanded transmission. And Congress must ensure that the transition to clean electricity is equitable, by investing in rural economic development, providing resources to monitor air pollution and enforce the rights of environmental justice communities, and supporting impacted energy workers with wage replacement, pension funding, job training, and more. These investments will build a just and effective path to 100% clean electricity.

Together, these proposals can meet President Biden's commitments—the US can win the EV market, combat the climate crisis, and build a clean energy economy that works for everyone. Congressional leaders must not compromise on realizing this clean cars future.