

National Automobile Dealers Association



Save Consumer Choice for New Vehicles: Overturn EPA's EV Mandate Cosponsor the Transportation Freedom Act (H.R. 2814/S. 711)

ISSUE

The Biden Administration finalized its electric vehicle (EV) mandate that would effectively require up to 56% of U.S. vehicle sales to be electric by 2032. While dealers have made significant EV investments, the public charging infrastructure is not ready, and high EV prices have priced out millions of consumers, particularly low-income Americans, from the new-car market. NADA supports H.R. 2814/S. 711, bills which would repeal EPA's EV mandate and require new fuel economy/greenhouse gas standards that are economically practicable and technologically feasible.

BACKGROUND

Last year, the Biden Administration's EPA finalized its "Multi-Pollutant Emissions Standards for Light-Duty and Medium-Duty Vehicles for MY 2027 and Later" rule that would effectively <u>mandate</u> 26% in 2027, 44% in 2030 and 56% of new vehicles sold in 2032 to be EVs. Currently EVs are only 7.3% of the new car market, despite federal tax credits which will be phased out by Sept. 30 of this year. EPA projects that this rule will reduce the availability of gas vehicles (including hybrids and plug-in hybrids), now 92.7% of the market, to 29% by 2032.

While dealers have promoted electrification of America's fleet with billions of dollars of their own capital committed to investments in facilities, training and inventory, the Biden EV mandates ignore current real-world consumer demand for EVs. Demand has been sluggish because: 1) the average transaction price for an EV is almost \$8,000 more than a gas car; 2) current charging infrastructure is currently inadequate along with long charging times; and 3) gasoline prices average around \$3 a gallon.

On July 29, the Trump administration proposed a new rule that would eliminate the EPA's ability to regulate greenhouse gasses from vehicles, which was the basis for the Biden-era EV mandate. If the rule is finalized, Biden-era EPA greenhouse gas rules will be revoked. NADA supports legislation that would prevent the EPA mandates from going into effect while the proposed rule is being finalized.

The "Transportation Freedom Act" (H.R. 2814/S. 711) would restore consumer choice and congressional authority over fuel economy/greenhouse gas standards by providing one national standard and long-term regulatory certainty for the auto industry. It repeals the EPA's EV mandate that 56% of all new cars be EVs by 2032. It also mandates a 180-day window for EPA to replace the standards with tough but achievable standards for 2027-2035. See summary <u>here</u>.

NADA also supports a provision (Sec. 458) that would stop EPA's EV mandate until Sept. 30, 2026 that was included in the FY2026 House Interior, Environment appropriations bill.

KEY POINTS

- The Biden Administration's overly aggressive EV mandate ignores real world consumer demand. Many consumers are not ready to transition to EVs because they cost more than gas cars, and a sufficient, reliable charging infrastructure does not yet exist. The current EV policy will significantly hurt rural America and lower-income buyers who cannot afford or conveniently charge EVs.
- Passing the "Transportation Freedom Act" would result in a new vehicle market that is more affordable and help consumers buy a new car that meets their budget and transportation needs. The legislation would make sure fuel economy/greenhouse gas standards are based on real-world feasibility and affordability.
- <u>H.R. 2814/S. 711</u> would restore congressional authority over fuel economy/greenhouse gas standards and ensure regulatory predictability and stability for the next ten years. The aggressive Biden EV mandates were not set by Congress. Legislation is needed to restore a uniform, national fuel economy standard set by Congress.

STATUS

Members are urged to cosponsor <u>H.R. 2814/S. 711</u>, introduced by Rep. Troy Balderson (R-Ohio) and Sen. Bernie Moreno (R-Ohio), respectively, which would repeal the EPA's EV mandate and set one national standard.