

Roll Call

Electric vehicles get help in Biden plan, but roadblocks remain

Biden's latest spending proposal would direct \$174 billion to put more Americans in electric vehicles. Are car buyers ready?

Dan Becker, director of the Center for Biological Diversity's Safe Climate Transport Campaign, suggested that Biden's plan for electric vehicles is lacking enough sticks to go with the carrots.

"While it's a start, the Biden plan relies on incentives and hopes that automakers will produce EVs while not actually requiring that they make any," Becker said. "Given their retrograde environmental behavior, that won't protect the climate; tough standards will."

By [Joseph Morton](#)

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President Joe Biden's latest spending proposal would direct \$174 billion to putting more Americans in electric vehicles.

That proposal is in line with ongoing global trends, said Kristin Dziczek, senior vice president at the Center for Automotive Research.

But significant hurdles remain in convincing Americans to buy cars and trucks that run on electricity instead of gasoline. Whether those hurdles can be overcome will go a long way in determining the country's ability to meet Biden's ambitious goals for reducing greenhouse gas emissions.

Countries around the world are adopting regulations that favor electric vehicles, major automakers have pledged to transition away from internal combustion engines and Wall Street has been rewarding companies that bet big on sustainable electrification. Electric vehicle sales rose last year even as the pandemic triggered a 14.7 percent decline in overall sales, Dziczek said.

"Consumers are starting to come around to it," Dziczek said.

EVs are important because transportation is a major source of emissions and the world today looks like what the Eisenhower administration envisioned in the 1950s: lots of highways and everyone driving.

That isn't going to change overnight, said Joseph Kane, senior research associate at the Brookings Institution.

“We have to traverse pretty long distances in America,” Kane said. “We’re a big country, and so the reality that we’re all going to get on bikes and take transit everywhere, that’s just not going to happen in the next few decades at least. Those are longer-term structural and generational changes that are needed.”

Companies and utilities with vehicle fleets, such as Amazon, UPS and FedEx, represent an opportunity since they can make the upfront investments to electrify their trucks.

Biden’s proposal includes shifting the federal fleet toward electric. It also would replace 50,000 diesel transit vehicles while electrifying at least 20 percent of the yellow school bus fleet. His proposed investment in electric vehicles has the support of the National Mining Association, which represents companies that extract copper, gold, silver and other minerals.

Sticker shock

But a major barrier for most would-be EV drivers is cost. The most recent IRS data showed that 85 percent of electric vehicle tax credits went to taxpayers with adjusted gross income of \$100,000 or more, Dziczek said.

Biden’s plan calls for point-of-sale rebates and tax incentives for buyers, but those go only so far. Dziczek said the new-car price of even traditional vehicles is beyond the range of most Americans with a median income. Instead, they’re buying used cars — and even the prices for those spiked last year.

Beyond cost, there’s a lack of charging stations. Biden’s proposal would establish grant and incentive programs intended to build a national network of 500,000 EV chargers by 2030. Dziczek said one of the most effective steps the government can take is pouring money into superfast charging stations, which are also superexpensive to build.

“That’s something where the government can really do a lot to electrify the nation’s highways, and that will encourage more consumer use,” Dziczek said.

Rep. [Debbie Dingell](#), D-Mich., a lawmaker at the center of the ongoing policy discussions, agreed that Americans simply aren’t going to buy electric vehicles until the charging infrastructure has been upgraded and drivers have confidence they can get where they’re going without running out of juice.

“The other part of this is that they’re used to going into a gas station and filling up in two to three minutes,” Dingell said. “We need to get quick charges out there because a lot of consumers aren’t known for their patience of waiting to charge a vehicle for half an hour.”

Getting broad and even potentially bipartisan support on Capitol Hill for a big EV push likely will require labor unions, automakers and environmental groups to come together behind a common vision.

“That’s why I’m bringing the unions and the companies and the environmentalists together,” Dingell said. “So everybody understands what the key issues are, what the perspectives are and how do we get it done.”

Democratic Sen. [Thomas R. Carper](#) of Delaware, chairman of the Senate Environment and Public Works Committee, said there’s “strong interest” on Capitol Hill in supporting cleaner vehicle use through an infrastructure package.

But another major concern will be the potential impact on jobs.

Dziczek said there’s no question that some jobs are at risk. While battery and motor production will expand with the shift to electric, it’s not clear that expansion will support as many jobs in the same communities where people now live and work making parts for internal combustion engines.

Most firms in the current automotive supply chain have fewer than 100 employees, she said, and are not in the position to make large upfront investments in cutting-edge technology.

“I worry a lot that if you go too fast you lose a lot of firms, you lose a lot of jobs,” Dziczek said.

John Bozzella, president and CEO of Auto Innovators, a trade group, said the industry is committed to a net-zero carbon transportation future that includes moving to electric vehicles.

“A bold, comprehensive strategy is required to establish the U.S. as a leader in the next generation of clean transportation innovation,” Bozzella said. “Efforts that incentivize wider-scale EV adoption, build out the necessary infrastructure, and facilitate consumer awareness are essential components to EV market expansion.”

While some environmental groups welcomed Biden’s plan, others said it doesn’t go far enough and they would like to see lower limits on vehicle emissions.

Dozens of conservation and human rights groups signed a letter calling for Biden to back a \$16 trillion “moonshot effort” to transition the country away from fossil fuels.

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