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Biden Says U.S. Market Should Be 40% EVs in 2030

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President Joe Biden is seeking a voluntary pledge from auto manufacturers that would see EVs make up 40% of new U.S. vehicle sales by 2030.

The plan is expected to be announced as early as next week, according to a report by the Reuter’s news service. It would come as part of a broader push by the White House to tighten vehicle fuel economy and emissions standards, reversing a rollback enacted during the Trump Administration.

Specific details of the plan are unclear. The Reuters report suggests the president’s plan focuses on the three traditional Big Three Detroit manufacturers, General Motors, [Ford](#) Motor Co. and Stellantis – the latter formed early this year by a merger of [Fiat](#) Chrysler Automobiles and France’s PSA Group. However, a number of foreign-owned brands have also announced plans to aggressively ramp up production of electrified vehicles.

Bentley and [Volvo](#) are among those expecting to entirely drop production of vehicles using internal combustion engines. But it is unclear if the Biden plan will include plug-in hybrids in the 40% target or focus exclusively on BEVs.

[UAW Worries EVs Are Simpler to Build](#)

There has been some pushback. A spokesman for the United Auto Workers Union said the labor group “has not reached agreement” on a plan that would see the companies it represents go to 40% EVs. The UAW previously expressed concerns about the shift to electrified vehicles because they are expected to require less labor to produce. The union represents GM, Ford and Stellantis operations in the U.S. One question is whether motorists favoring electrification might shop brands not representing by the UAW if those owners believe the automakers are putting

personal interests ahead of national interests. Most international automakers have plants located in the South, where auto plants aren't unionized.

A plan that would see a major jump in EV sales could soften recent criticism the Biden administration has faced from environmentalists. The president has signaled plans to reverse the rollback in mileage and emissions ordered by Trump. But Biden is expected to call for a 3.7% increase in the Corporate Average Fuel Economy standard through 2026, short of the 5% rise that had been enacted under Pres. Barack Obama.

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[Go Directly to EVs vs. Plug-Ins as a Bridge Technology](#)

There is a general consensus within the auto industry that electrified vehicles are the wave of the future in an era of worsening global warming. But there also is a broad divide on how to make the switch.

Some companies, notably including [Toyota](#) and Honda, believe the best approach is a mix of plug-in hybrids and BEVs. Others, including General Motors, Audi and [Mercedes-Benz](#), believe the target should be a 100% switch to BEVs. Not surprisingly, they're comfortable with EV technology and for them, the question is how soon that can happen. GM, for example, is aiming for 2035 to abandon internal combustion engines.

Whether a 40% EV target would satisfy Biden critics is uncertain. A growing number of countries, including Canada and the UK, have announced plans to completely phase out IC engines by 2035. European Union regulators are moving in that direction, as well. The question is whether consumers will go along. Demand for electrified vehicles—BEVs, plug-in hybrids, hybrids—ran about 5% of the U.S. total last year, but sales of plug-based models doubled during the first half of 2021. The government's Bureau of Transportation Statistics says BEVs were a bit less than 2% of the market last year and they outsold plug-ins by 3-1. Consulting firms IHS Markit and J.D. Power have forecast the total will reach 30% by 2030 – but Ford CEO Jim Farley recently predicted it could reach 40%, even without a presidential mandate.

To reach 40% in 2030 may require counting both EVs and plug-ins (but not simpler hybrids), continued or increased tax credits for buying electric, and subsidies or credits for both home and public chargers.

<https://www.forbes.com/wheels/news/40-percent-evs-2030/>