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There's A Big Push For Electric Cars, With The White House Teaming Up With Automakers

Major automakers and the Biden administration are announcing a goal of all new car sales being 40% to 50% electric vehicles by 2030. The White House also unveiled its plan for new vehicle standards.

[Camila Domonoske](#)

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Major automakers and the Biden administration are mapping out a route toward a future where Americans drive a lot more electric vehicles.

President Biden, standing before a display of electric trucks and SUVs and surrounded by union officials and auto executives, signed an executive order Thursday setting a target that half of all new vehicles sold in the U.S. in 2030 be zero-emission cars, which would include plug-in hybrids.

Biden said the future of the auto industry is electric "and there's no turning back. The question is whether we'll lead or fall behind in the race for the future."

His administration also unveiled a plan for new, stricter fuel economy and emission standards, which would be legally binding. By 2026 they will be the most stringent such standards ever set, the EPA says, and Biden has said they'll be followed by even stricter rules.

Transportation is the country's largest source of greenhouse gases, and pivoting to electric vehicles is a central plank in Biden's plan to fight climate change.

A voluntary pledge to boost electric vehicle sales

Ford, General Motors and Stellantis — which makes Jeep, Ram and Chrysler vehicles — all issued statements expressing support for a 40% to 50% target of vehicle electrification, roughly in line with Biden's executive order.

BMW, Honda, Volkswagen and Volvo also said they supported it.

Currently electric vehicles account for about 2% of new car sales in the United States, so a 40% to 50% target by 2030 is ambitious. But the global auto industry has recently embraced electrification. Many automakers, though not all, had already announced similar or more ambitious targets independently — for instance, Volvo plans to be *entirely* electric by 2030.

"These sales targets are certainly not unreasonable, and most likely achievable by 2030 given that automakers have already baked in large numbers of electric vehicles into their future product cycles," noted Jessica Caldwell, an analyst at car data site Edmunds.

"Regardless of who has been in the White House, automotive industry leaders have seen the writing on the wall for some time now when it comes to electrification," she added.

The United Auto Workers union expressed support for expanding U.S. electric vehicle manufacturing but noted that "the UAW focus is not on hard deadlines or percentages, but on preserving the wages and benefits that have been the heart and soul of the American middle class."

Unions are keeping a close eye on the impact on jobs, because electric vehicles have fewer components and therefore require less workers.

The commitments from automakers are aspirational, rather than binding. That's in contrast with the approach taken in places such as the European Union, which is currently considering a mandatory phaseout of gas-powered cars by 2035.

The White House's choice to emphasize a nonbinding target has frustrated some environmental groups.

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EPA unveils new proposed rules on car emissions

However, the Environmental Protection Agency has also unveiled proposed rules that would set new fuel efficiency and emissions standards for vehicles. Those would be legally binding.

The Biden administration has long promised to set stricter vehicle standards, undoing what officials called the "harmful" rollbacks under former President Donald Trump.

The Obama administration had set fuel economy and emissions standards to improve at a level of 5% annually as part of its climate change fight. The Trump administration had rolled those targets back to 1.5% per year.

But some carmakers struck a deal with California to stay somewhere in the middle, around 3.7% annual improvement.

The EPA released its draft emissions rules on Thursday, and they call for a dramatic, one-time bump of 10%, as a way to catch up on the ground lost during the Trump years. After that, standards would improve by 5% annually.

That's a significantly higher bar than automakers had pushed for. But it's also paired with "flexibilities" — which critics call loopholes — that make it easier for carmakers to comply, and can allow more emissions in the near term.

The Department of Transportation will separately release fuel economy standards, which are expected to align with the EPA rules. On Thursday, Transportation Secretary Pete Buttigieg told NPR, "we're building to an 8% standard of improvement [in fuel economy] ... we are upping the ambition in a big way."

The proposals will now enter a period of public comment. The White House also says it will set a schedule for defining standards for future vehicle model years.

Going carbon neutral by 2050

Biden has previously said he has a goal of making the U.S. carbon neutral by 2050 — which would require most cars to run on new technologies, such as batteries, instead of gas.

The infrastructure deal Biden struck with a bipartisan group of senators would spend [billions of dollars](#) on electric vehicles, though it's [a far lower amount](#) than his original jobs and infrastructure package. Democrats are looking to include additional climate measures in a package they plan to pass along party lines.

Trump loosened fuel economy and emissions standards and started a legal battle with California over the rules.

Those moves created enormous uncertainty about the future of vehicle emissions standards, and the risk of two different standards (one for California and more than a dozen states that follow its rules, and another for the rest of the country).

The auto industry split over the issue, with some carmakers striking a deal with California to maintain stricter emissions standards, while others supported Trump.

Since Biden's election, the automakers who backed the Trump administration have dropped their support for his looser standards and endorsed the idea of setting a somewhat higher bar for fuel economy — one that's uniform across the country.

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