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Further, it could allow Musk’s company to cement its dominance for years into the future, because it would take Detroit time to catch up on EV manufacturing if it pulled back now, he said.

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EPA in Elon Musk's Crosshairs

The tech mogul has had run-ins with the agency over permits and regulatory violations, and his businesses stand to benefit from slashing rules.

By Kevin Bogardus
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Elon Musk could rip asunder EPA, an agency he has tangled with in the past, under a new post awarded by President-elect Donald Trump.

The billionaire tech mogul and Vivek Ramaswamy, who vied for the 2024 Republican presidential nomination, have been tasked by Trump with leading a new government efficiency commission to slash the federal bureaucracy.

The so-called Department of Government Efficiency — a review panel — could upend agencies across the government, such as EPA.

Created in 1970, EPA, which has been at the forefront of the Biden administration's aggressive campaign targeting air, climate and water pollution, has become a rulemaking powerhouse and thus a perennial target for small-government conservatives, now in the ascendancy after Trump's election win.

“Whenever you talk about getting rid of regulations, EPA is usually one of the first if not the first agency people think about,” Stuart Shapiro, dean of the public policy school at Rutgers University, told POLITICO's E&E News. “I would suspect at the top of the list would be anything the Biden administration did at EPA.”

Musk's businesses have had conflicts with the agency over permits and regulatory violations. The tech mogul's portfolio stands to benefit from slashing

environmental rules and could solidify his place as the top electric vehicle maker in the country.

“What this position effectively gives Musk is means, motive and opportunity to commit corruption,” said James Goodwin, policy director for the liberal-leaning Center for Progressive Reform, a regulatory think tank. “He would potentially have a lot of influence over programs that he can exert in ways that financially benefit him, or he could exert this influence in ways that harm his competitors.”

Trump announced the commission’s creation Tuesday, saying in a statement it will help his administration “dismantle Government Bureaucracy, slash excess regulations, cut wasteful expenditures, and restructure Federal Agencies.” It will offer advice from outside the government and partner with the White House and the Office of Management and Budget “to drive large scale structural reform,” with its work concluding July 4, 2026.

Musk has been posting online via his social media company X, promising full transparency for the review panel’s operations. The commission even has [its own X account](#), complete with a gray checkmark badge, indicating it’s a government organization.

“[It begins](#),” Musk said Wednesday, above a post from the commission saying, “Working overtime to ensure your tax dollars will be spent wisely!”

The structure of Musk’s commission is still unclear. Creating a new government department would require funding approved by Congress, which hasn’t happened. If the group ends up as a federal advisory committee, it would have to follow the law requiring ethics disclosures and public meetings.

“Well, first thought, and probably most important, is it is not a department. Only Congress can create Cabinet departments. The president does not have that

authority,” Shapiro said. “It has no authority, it has no funding, and so at this point, all it can be is advisory.”

Goodwin said Trump was duplicating bureaucracy by creating the commission. Instead, the president-elect should rely on existing agencies, such as the Government Accountability Office and inspector general offices, that already root out waste and fraud.

“The fact of the matter is many government programs are intricately linked with other government programs to be effective,” Goodwin said. “If you just recklessly pull one of these things out, you end up doing a lot of collateral damage.”

Trump campaign press officials didn’t respond to questions for this story.

Yet more than EPA’s regulations could be on the chopping block. The commission could recommend relocating its headquarters outside of Washington or shut down the agency altogether.

Like Trump, Ramaswamy campaigned on cutting down the federal government. He proposed to move 75 percent of federal employees outside of Washington as well as let go 75 percent of government regulators, according to [his campaign website](#).

“Slapping the bureaucracy on the wrist won’t solve the problem, the only right answer is a massive downsizing,” the entrepreneur [said on social media](#), noting recent Supreme Court decisions that curbed agencies’ regulatory power.

Wayne Crews, a fellow of regulatory studies at the Competitive Enterprise Institute, a free market think tank, hopes the commission pursues not just moving agencies but winding them down altogether.

“If you’re concerned about draining that proverbial swamp, transplanting some of the swamp vegetation out into the heartland is not going to be the way to shrink government,” Crews said.

Yet to close EPA would take action from Capitol Hill. While lawmakers regularly rail against government bloat, they almost never ax specific programs in the face of opposition from the public or special interest groups.

When Republicans won control of Congress in the landmark 1994 elections, they pledged to tackle wasteful federal spending. They succeeded in defunding one agency, [the congressional Office of Technology Assessment](#), which at its peak employed barely 200 people.

Here are examples of troubles Musk’s businesses have faced with EPA regulations and how they would benefit from elimination.

Brush with air pollution standards

Musk’s businesses, including his electric car maker Tesla, have run afoul of EPA rules.

Two years ago, [Tesla agreed to pay](#) a \$275,000 fine after EPA inspectors found that the company violated hazardous air pollutant regulations at its San Francisco Bay Area operation.

[In a lawsuit filed this spring](#), the nonprofit Environmental Democracy Project alleged that the same plant had violated its air permit hundreds of times since 2021, exposing workers and nearby residents to excess amounts of arsenic, cadmium and other harmful pollutants.

Tesla has so far not directly contested the allegations and settlement talks are underway, according to filings in the suit, brought in the U.S. District Court for the Northern District of California.

The commission, however, could recommend EPA's air pollution standards be done away with.

In addition, once Trump takes office, his administration could torpedo or rework a variety of other Clean Air Act regulations.

Among those potentially in play: the "good neighbor" smog control plan that the Supreme Court stayed in June and [a proposed expansion](#) of hazardous air pollution reporting requirements for carmakers and other industries.

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Even if the Trump administration rolls back Biden-era federal car rules, it's likely that state standards will remain in place.

The Biden EPA is expected to grant California a waiver allowing it to impose stricter-than-federal standards before Trump is inaugurated. Tesla [has endorsed](#) the California low-carbon fuel standard, which Trump has opposed. Other companies can buy credits from competitors who outperform those targets — like Tesla — to remain in compliance.

Crews believes Musk's criticism of EPA regulations are more general, not geared to any one company, because the agency can affect a wide range of industries.

"I think when someone is talking about reforms that are in the general business of the free, competitive marketplace, I think that can be appropriate and something laudable," Crews said. "I wish a lot more business people would speak out against overregulation because too often, businesses benefit from regulation."

EPA rules for power plants and oil and gas are other likely Trump administration targets. But it's unclear if the commission would have any role in repealing and replacing those regulations.

Rocket launches under EPA scrutiny

In addition, the incoming Trump administration will likely [face pressure](#) to change a major rule that shapes how many waters and wetlands the federal government oversees and regulates under the Clean Water Act.

“A number of conservative groups, including farmers, believe there are a number of issues [under the Clean Water Act] that need clarification,” said Mark Sudol, a senior adviser at the environmental permitting firm Dawson & Associates.

Sudol said the new administration could also push for states to assume responsibility for permitting projects that pollute waters and wetlands. Environmental advocates have warned that states do not have the bandwidth to take on that role.

Clean Water Act enforcement priorities could also change. SpaceX, the space exploration company founded by Musk, was hit with a \$148,378 civil penalty under the 1972 law earlier this year.

SpaceX’s rocket launch site in Texas allegedly discharged industrial wastewater and liquid oxygen into nearby wetlands this year and last year without a federal permit, according to EPA.

The company is now applying for the proper permit under the Clean Water Act, as well as a separate permit to operate a wastewater treatment plant at the site, located near the South Texas city of Brownsville. Many local residents have pushed back on the requested permits in comments submitted to the Texas Commission on Environmental Quality.

The Last time he was in office, Trump tried to move quickly in pulling back regulations but was often tripped up by the courts after not following administrative law. Musk’s own push to deregulate will have to face that same tricky path.

“They can recommend repealing regulations, but unless those regulations are issued in the last few months of the Biden administration, repealing them is very difficult and takes a couple a year or two of process,” Shapiro said. “This is not a snap-your-fingers-and-make-the-regulations-go-away scenario.”

<https://www.eenews.net/articles/epa-in-elon-musks-crosshairs/>