

SLUDGE

Trump Takes Aim at Electric Vehicles

After hefty campaign donations from the oil industry, the Trump administration began rolling back major climate rules that would reduce emissions and boost EV sales.

By David Moore

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During his campaign to return to the White House, Donald Trump made a heavy appeal to oil and gas industry executives, asking them during an April dinner at Mar-a-Lago to raise \$1 billion for him with the expectation that he would roll back environmental regulations. Donors in the fossil fuel industry did open their wallets for the Republican at the top of the ticket, with the New York Times estimating Trump's haul from oil and gas interests at more than \$75 million.

As promised, President Trump moved immediately to begin rolling back Biden-era rules curbing greenhouse gas emissions and promoting electric vehicles. His efforts are being backed by one of the largest fossil fuel industry lobbying groups, the American Fuel & Petrochemical Manufacturers (AFPM), which spent a record

high amount on lobbying last year to keep U.S. consumers burning fuel in cars and trucks, even as the costs of climate change mount.

Last March, the Biden administration finalized a far-reaching rule to ramp down U.S. greenhouse gas emissions: an EPA standard that would increasingly limit the pollution belching out of tailpipes into the atmosphere. For model years 2027-2032, vehicle manufacturers would have to meet new average emissions standards for their fleets of cars, SUVs, light pickup trucks, medium-duty large pickups, and vans, helping to keep the U.S. in line with international climate goals by the end of this decade. According to the EPA, the rule, which is technology agnostic, would boost EVs to be up to 56% of new passenger vehicles sold from 2030-2032, and new hybrid vehicles would make up an additional 16% of sales.

On Day One, President Trump signed an executive order that says it is the policy of the United States to eliminate what he calls “the electric vehicle (EV) mandate,” a reference to Biden’s emissions rules. The Trump-favored term is misleading, because no such mandate exists—if the rule was to stay in effect, tons of new gas-powered cars will still be sold, just not the majority. The transportation sector, including car and truck exhaust, is the largest greenhouse gas emitter in the economy, according to EPA figures.

Trump’s move to begin repealing the EPA’s emissions rule was high on the policy wish list of the American Petroleum institute (API), a fossil fuel industry lobbying group.

But it was the fuelmaker lobbying group AFPM, whose members include oil giants like ExxonMobil and fuel refiner Valero Energy, that most increased its lobbying spending as it fought against the vehicle emissions standards. The trade association AFPM absolutely shattered its federal lobbying spending in 2024, reaching nearly \$20.7 million—close to tripling its previous high from 2023. During the first six months of the year, AFPM’s lobbying skyrocketed to \$19 million.

Dan Becker, director of the Safe Climate Transport Campaign of the nonprofit Center for Biological Diversity, said of Trump’s rollback of clean car policies, “That’s a victory for his cronies in the oil and auto industries but may well leave his voters with buyer’s remorse. Consumers will pay more at the pump, automakers will lose EV buyers, and health care costs will go up from people breathing dirtier air.”

Last week, in the same executive order, the Trump administration sought to halt funding to another federal effort, the National Electric Vehicle Infrastructure Formula Program, that offers billions of dollars in grants to build EV charging stations nationwide. The section of the order begins, “Terminating the Green New Deal,” and seeks to immediately pause the disbursement of funds for programs in 2022’s Inflation Reduction Act (IRA) and 2021’s bipartisan Infrastructure Investment and Jobs Act (IIJA).

The IRA also created a clean vehicle tax credit of up to \$7,500, for new, qualified plug-in EV or fuel cell electric vehicles. The EV credits have proven popular:

consumers saved \$1 billion from Jan. 1 to June 24, 2024, according to the Treasury Department, with their total savings from fuel and maintenance rising into the billions of dollars.

So what's next for the EPA emission rules and the EV tax credits, under the federal Republican trifecta?

The Trump administration would have to initiate a rulemaking to repeal the EPA standards, as it did during Trump's previous term, a process that took about two years.

The EV tax credits could be repealed by legislation from the Republican-controlled Congress, as House Speaker Mike Johnson vowed would be a priority, but the House GOP majority is thin, and a couple of defections could prevent them from being fully axed.

AFPM also lobbied last year in opposition to a waiver that the Biden administration EPA granted the state of California in 2022 that allows it to set stricter vehicle emissions standards than the federal limits. Under an executive order enacted by Gov. Gavin Newsom in 2020, California is planning to ban sales of gas-powered passenger cars by 2035.

Becker said that even if Trump goes after the Biden administration's emissions rule, state rules will remain in place and encourage more EVs to be built.

“Those rules have also been adopted by 17 other states, protecting nearly half of US car-buyers,” Becker said. “If Trump kills the EPA rule, California's rule would still require automakers to make EVs and other clean cars, like hybrids. He will try to attack the California standards, but lacks the authority to do so.”

Last week, the Trump administration asked the Supreme Court to hold off on hearing arguments in a case brought by fuel producers against the EPA's waiver granted to California, suggesting that Trump's government will move to reverse course from Biden's rules.

“With the fires in Los Angeles still smoldering, trying to take away California's clean car protections is cynical, cruel, and illegal,” Becker said.

One might think that offering EV purchase credits would squarely benefit Trump's benefactor Elon Musk and his automaker Tesla. But last month, Musk said he wants to eliminate the IRA's tax credits, arguing that removing subsidies “would only help Tesla.” One analyst, Dan Ives of Wedbush, thinks that Tesla's scale and market hold give it an advantage if EV subsidies are gone, especially if coupled with new tariffs on China.

Of Musk’s potential motivations, Becker said, while noting that it’s hard to know with confidence, “I wonder if he wants to eliminate the EV competition, not by outcompeting them, but by eliminating the EPA and California rules. GM, Ford and Stellantis (Chrysler) have never done more than the minimum required to meet the law. So if Musk makes the law go away, they might well just stop making EVs, leaving the field to Tesla (and, more worrisome, to BYD Auto and the other looming giant EV makers of China). BYD sold 3 million EVs last year in Europe, Asia, etc. They’ll be very happy to dominate the EV market abandoned by the U.S. ‘Big Three’ automakers, and take the jobs and profits.”

AFPM’s most recent tax return, for 2023, shows record high total revenue of nearly \$60.8 million—an increase of nearly two-thirds over the prior year. In 2023, AFPM spent more than \$4.4 million with public affairs agency NJI Media, based in Alexandria, Virginia.

One AFPM in-house lobbyist last year was its President and CEO Chet M. Thompson, formerly deputy general counsel at the EPA during the George W. Bush administration, whose bio page touts his 2018 recognition as “one of Washington’s Top Lobbyists.” Jonathan Kott, former senior advisor to now-retired Sen. Joe Manchin, was among a handful of hired guns with the firm Capitol Counsel who lobbied Congress for AFPM. Paul Braithwaite, former executive director of the Congressional Black Caucus and chief strategist of the firm Federal Street

Strategies, lobbied Congress for the fuelmakers group on "issues related to energy infrastructure investments and safety and security," "issues related to oil and gas prices," and the Clean Air Act, among other things.

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