

The Need For Speed

The Economic Urgency for Bold Action on Clean Vehicles

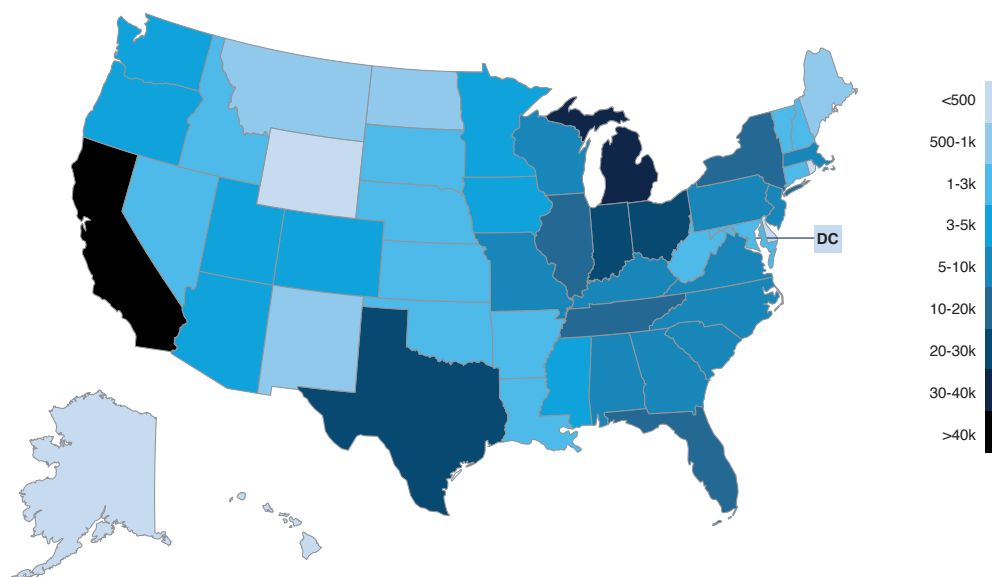
Speeding the transition to cleaner vehicles is critical to the future of America’s auto industry and a win for the broader U.S. economy

For the U.S. to compete in the growing global marketplace for clean vehicles—and for America to reap the jobs and fuel cost savings that come with it—**Congress** must continue to defend and support policies and investments that are driving the national economic boom in clean vehicles manufacturing and electric vehicle charging infrastructure, and the **Biden Administration** must enact strong vehicle emissions and fuel economy standards.

Doing so will also reduce our country’s biggest source of carbon emissions, save drivers money, and help address the economic costs of climate change.

JOBS

More than 373,000 Americans worked in the electric vehicle (EV) and plug-in hybrid vehicle sector in 2023.¹ These are jobs supporting workers and families in every state. Thousands more Americans work at electric vehicle charging companies. **With bold federal standards and continued federal incentives, we can protect these jobs and create more of them here in the United States in the face of growing foreign competition.**



State	Clean Vehicle Jobs
California	66,065
Michigan	32,271
Texas	26,636
Ohio	22,431
Indiana	22,058
Tennessee	16,367
Illinois	13,968
New York	12,970
Florida	12,374
Pennsylvania	9,582
Kentucky	9,440
North Carolina	9,049
Alabama	8,323
Missouri	8,128
Virginia	7,782
Massachusetts	7,734
Georgia	7,452

State	Clean Vehicle Jobs
South Carolina	6,724
Wisconsin	6,158
New Jersey	5,730
Colorado	4,693
Minnesota	4,226
Arizona	4,199
Washington	4,150
Iowa	3,828
Oregon	3,524
Mississippi	3,292
Utah	3,126
Maryland	2,967
Connecticut	2,889
Kansas	2,569
Oklahoma	2,521
Arkansas	2,288
Nebraska	2,178

State	Clean Vehicle Jobs
Louisiana	1,967
Vermont	1,718
Nevada	1,689
Idaho	1,259
South Dakota	1,120
New Hampshire	1,113
West Virginia	1,049
New Mexico	983
Maine	889
North Dakota	851
Montana	731
Delaware	482
Hawaii	473
Rhode Island	467
District of Col.	458
Wyoming	413
Alaska	252

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COMPETITION

Global spending on electric cars was up 50 percent in 2022 relative to 2021.² The number of electric and other Zero Emission Vehicles (ZEVs) on the road globally is expected to increase dramatically in the coming decades. More than 30 countries have committed to ensuring all new car sales will be ZEVs by 2035 or 2040. More than 25 countries have committed to the same for vans and trucks.³

The competition to supply this growing market is heating up, but the U.S. is lagging behind.⁴ Sixty percent of global EV sales came from China in 2022, and Europe, India, Indonesia and African countries are driving forward domestic standards and incentives to build their own industries to compete.^{5,6} **Strong vehicle standards and continued incentives will be key for the U.S. to compete.**

ECONOMIC GROWTH— ONSHORING MANUFACTURING, PRIVATE INVESTMENT AND JOBS

As automakers shift to electric and other ZEVs, they are driving the biggest investments in the nation's auto industry in recent history and bringing new opportunities to every corner of the country. Companies have announced plans to invest more than \$68.5 billion in 130 EV and battery factories in the U.S. About half of these investments are from foreign companies which means that instead of sending American dollars and auto jobs overseas, foreign companies are sending their money to the United States and creating jobs for Americans.⁷ **Strong standards and certainty about tax incentives for consumers and manufacturers are critical to creating the stability the private sector needs to continue to invest in American factories and jobs.**

COST SAVINGS

Electric and other zero-emission vehicles save money for businesses and consumers. EVs save consumers \$9,000-\$13,000 in fuel, maintenance and operation costs over the lifetime of their cars.⁸ Electric battery-powered trucks are expected to save commercial trucking \$250 billion in reduced fuel, maintenance and repair costs over the next three decades.⁹ Purchasers of EVs may now be eligible for \$7,500 in tax credits or reduced prices for new vehicles and \$4,000 for used vehicles.¹⁰ **The demand for EV's is growing but incentives and standards are key to speeding the transition and ensuring more Americans can access clean vehicle savings.**

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ECONOMIC STABILITY/ INFLATION

Recently, over half of the increase in the overall inflation rate was attributed to high fuel prices.¹¹ The U.S. economy remains vulnerable to price volatility of oil and gas. The faster we transition to ZEV vehicles, the faster the economy becomes more resilient to oil price shocks and their potential to drive up inflation. **Incentives and bold policy are key to speeding up the transition that helps insulate consumers and businesses from fuel-driven inflation.**



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ECONOMIC AND TAXPAYER SAVINGS FROM LOWER EMISSIONS

Climate-related weather disasters have cost the U.S. economy \$2.2 trillion since 1980.¹² According to the nonpartisan group Taxpayers for Common Sense, taxpayers are footing the bill for the increased costs of climate change, “2017 disaster spending exceeded the annual discretionary budget of every federal agency except the Pentagon that year.”¹³ The transportation sector is the leading driver of the US emissions that are turbocharging weather disasters. By shifting to cleaner vehicles, and fast, we can reduce emissions and tackle the rising cost of disasters. **We need standards and incentives to speed up the transition to cleaner cars if we are going to lower emissions fast enough to impact rising climate costs.**

LOOKING FORWARD

The global transition to clean vehicles is happening. The U.S. can benefit from the transition, or we can be left behind.

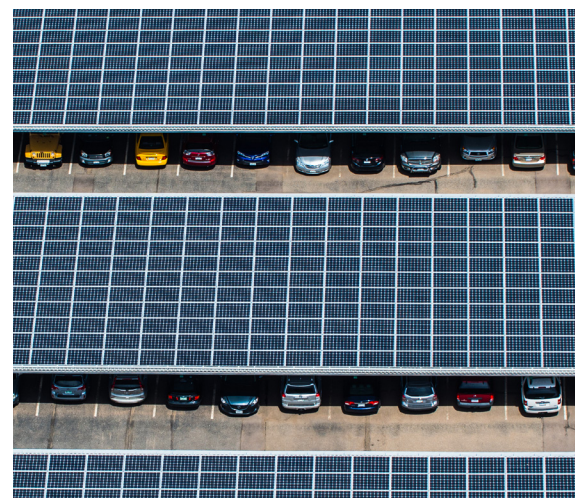
To benefit, we need strong vehicle emissions standards from the Administration and congressional protection of federal clean vehicle incentives. Both are essential to ensure that:

- // **The US economy is more resilient to fuel-driven inflation and more US businesses and consumers benefit from the cost savings that ZEVs provide;**
- // **U.S. workers get the clean vehicle jobs of today and tomorrow;**
- // **Vehicle emissions are reduced fast enough to help bring down the growing toll of climate disasters.**

Without federal engagement, our global competitors will continue to leave us in the dust and the trillion-dollar toll that climate disasters have taken on our economy will continue to accelerate.



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“Strong U.S. clean car standards and incentives will accelerate manufacturing, jobs and private investment here at home, while making U.S. cars more competitive around the world.”

- Bob Keefe, E2 Executive Director

POLICY RECOMMENDATIONS

THE ADMINISTRATION must:

- // Fully leverage the historic investments from Congress by finalizing strong federal policies that provide market certainty and that accelerate clean vehicle and infrastructure investments. This includes:
 - // **strong emissions standards** that ensure U.S. auto makers are on the path to 75 percent emissions reduction by 2030, and
 - // **strong fuel economy standards** that ensure at least 3 percent improvements in passenger car efficiency and 5 percent improvements in light duty truck efficiency annually.

CONGRESS must:

- // Defend against efforts to rollback or weaken U.S. clean vehicle incentives that are creating jobs, driving private sector investment, bringing manufacturing back to the U.S. and improving the global competitiveness of U.S. auto industry all while lowering emissions and tackling rising climate-disaster costs.
- // Support funding for agencies critical to the implementation of standards and incentives, including the Internal Revenue Service, Department of Transportation, the Environmental Protection Agency, and the Department of Energy.



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ENDNOTES

- 1 See E2's Clean Jobs America 2023 <https://e2.org/reports/clean-jobs-america-2023>
- 2 International Energy Agency - <https://www.iea.org/reports/global-ev-outlook-2023/corporate-strategy>
- 3 <https://www.iea.org/reports/global-ev-outlook-2023/executive-summary>
- 4 <https://www.statista.com/statistics/270537/forecast-for-electric-car-production-in-selected-countries>
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- 6 <https://www.iea.org/reports/global-ev-outlook-2023/policy-developments>
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- 11 Mildner, Hall and Davis. (2023, September 13) Inflation Keeps on Trucking, Thanks to High Gas Prices. CNET accessed 10/31/23: <https://www.cnet.com/personal-finance/banking/inflation-keeps-on-trucking-thanks-to-high-gas-prices>
- 12 E2 (Oct 19, 2022) Billion Dollar Losses, Trillion Dollar Threats: The Cost of Climate Change. Accessed 10/31/23 <https://e2.org/reports/cost-of-climate-change/#:~:text=Summary%3A-,Billion%20Dollar%20Losses%2C%20Trillion%20Dollar%20Threats%3A%20The%20Cost%20of%20Climate,events%2C%20such%20as%20record%2Dbreaking>
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**Good for the Economy.
Good for the Environment.**