

TAXPAYERS PROTECTION ALLIANCE

September 13, 2023

U.S. House of Representatives
Washington, DC 20004

Dear Member of Congress,

On behalf of the millions of taxpayers represented by the Taxpayers Protection Alliance (TPA), we urge you to support *H.R. 1435, the Preserving Choice in Vehicle Purchases Act*, introduced by Representative John Joyce (R-Pa.). This legislation would prevent the U.S. Environmental Protection Agency (EPA) from issuing Clean Air Act (CAA) waivers for new regulations that would ban sales of new motor vehicles with internal combustion engines (ICEs).

In August 2022, the California Air Resources Board (CARB) enacted new requirements on automakers effectively banning the sale of new ICE cars and light trucks by 2035 and limiting consumer choice in new vehicles to zero-emission vehicles (ZEV), including plug-in hybrids, full battery-electric, and hydrogen fuel cell vehicles. There are three significant issues with CARB's policy: the clear violation of consumer choice, strain on an increasingly unreliable energy grid, and the inevitable rise in cost of taxpayer-funded ZEV credits.

The U.S. automotive industry is the largest manufacturing sector, contributing millions of jobs and accounting for 3 percent of America's gross domestic product (GDP) with over 13.75 million cars and light trucks sold in 2022. When considering regulations that exert control over the market-based demand for vehicles, lawmakers must recognize that Americans in different geographical locations have differing transportation needs. Despite technological advancements in EVs, all-electric vehicles provide only 60 percent of the range (234 miles) of gas-powered cars (403 miles). When examining maximum ranges, the difference becomes even more apparent, with gas-powered cars pushing a 765-mile maximum range, compared to only 405 miles for EVs, per the U.S. Department of Energy (DOE).¹ Different climate conditions can massively alter these range estimates as well, as EVs rapidly shed charge in colder conditions.²

In the last decade, domestic energy demand grew only 5 percent. Driven in part by the increase in demand for EVs, domestic energy demand is projected to increase 38 percent by 2035.³ The currently U.S. energy grid simply cannot sustain the additional pressure that EV mandates would bring. In fact, California alone will have to spend over \$50 billion to upgrade its grid and prevent overload from EVs.⁴ During a heat wave last year, California officials explicitly implored residents to not charge their EVs.⁵ Applying such updates to all of America's 360,000 miles of transmission lines, which could circle the Earth's equator 14 times, would surely require unprecedented taxpayer-funded investment. This goes without mentioning the enormous need for new electric generation capacity.

The Inflation Reduction Act (IRA), enacted in August 2022, created several new tax credits for plug-in EV and fuel cell EVs, which can total \$7,500 per vehicle purchased. The Committee for a Responsible Federal Budget (CRFB) scored the Clean Fuel and Vehicle Tax Credits in the IRA as costing \$36 billion from 2022-2031. With EV mandates, this taxpayer-borne cost will only grow.

Beyond these issues is CARB's regulatory authority compared to the federal government, and its ability to export regulations to other states. The 2012 linking of Corporate Average Fuel Economy (CAFE) and greenhouse gas (GHG) standards by the EPA and the National Highway Transportation Safety Administration (NHTSA) allowed California to operate under a special CAA clause, placing the state agency on equal – if not greater – footing to regulate CAFE and GHG than the EPA and NHTSA. As California was the only state with standards equal or greater to the federal government before the CAA's implementation date, it qualified for CAA Section 177, which came to be known as the California Waiver. Effectively, states

¹ <https://www.energy.gov/eere/vehicles/articles/fotw-1221-january-17-2022-model-year-2021-all-electric-vehicles-had-median>

² [https://apnews.com/article/electric-vehicles-cold-weather-battery-ev-6d86b7aa19e233d5d5cc4d2c9abb193ed#:~:text=EVs%20can%20lose%20anywhere%20from,7%20to%20minus%2012%20C\).](https://apnews.com/article/electric-vehicles-cold-weather-battery-ev-6d86b7aa19e233d5d5cc4d2c9abb193ed#:~:text=EVs%20can%20lose%20anywhere%20from,7%20to%20minus%2012%20C).)

³ <https://www.cnbc.com/2023/07/01/why-the-ev-boom-could-put-a-major-strain-on-our-power-grid.html>

⁴ <https://www.canarymedia.com/articles/electric-vehicles/crunching-data-to-keep-evs-from-overloading-californias-grid>

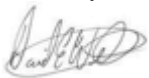
⁵ <https://www.nytimes.com/2022/09/01/us/california-heat-wave-flex-alert-ac-ev-charging.html>

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may implement air pollution regulations more stringent than the federal governments', so long as they are identical to California's authorized through the waiver that *H.R. 1435* addresses. It is a clear federalism issue when a single state has equal footing to the federal government to set regulations on a commodity as broadly essential and inherently interstate as vehicles. The states that have implemented California's standards (Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Colorado, Washington, Oregon, and the District of Columbia), account for nearly 40 percent of domestic automotive registrations.⁶

Again, we urge you to support passage of *H.R. 1435*, the *Preserving Choice in Vehicle Purchases Act*. No one state should hold equal or greater regulatory power than the federal government. The harms that CARB's regulations will bring to U.S. auto manufacturers and the energy grid will all eventually be borne by taxpayers and result in less consumer choice. Further, the proliferation of EV tax credits under these policies will result in the federal government hemorrhaging taxpayer dollars.

Sincerely,



David Williams
President

⁶ <https://crsreports.congress.gov/product/pdf/R/R45204>