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# Revolution on US roads - is EV dominance by 2032 a realistic goal?



The US is on the verge of achieving a milestone in reducing emissions.

This significant step comes from the Washington administration, as the regulator, through a new package of regulations to limit the production of vehicles with internal combustion engines and the transition to electric.

Last Wednesday, the Environmental Protection Agency announced a rather revolutionary plan that by the end of the next decade, as many as two-thirds of cars and trucks sold will be electric.

This is an ambitious plan, as it aims to replace almost everything that moves on American roads and streets today.

The planned leap towards electrification is significant. The share of EVs sold in the US last year was about 6%. It is expected that more than 67% of new cars and half of medium-duty vehicles will be electric in ten years.

Biden's administration's move will impact the global reduction of harmful gases. The US has been the world's largest emitter of gases after China, and the cars used by Americans contribute to more than 50% of carbon emissions.

“By the time we save the 100 billion gallons reduced, or the pollution that will no longer be pumped into the air, this is a win for the American people”, said Ali Zaidi, the White House climate adviser, according to CNN.

## Last moment to catch the connection

The US has been slow in the automotive sector transition, which has the largest impact on global warming, and the new regulations might be the last moment to secure the connection.

Last June, the European Parliament passed a law banning the production of internal combustion cars from 2035 as part of the EU's plans to reduce global CO2 emissions by 55% compared to 1990.

Some European countries, such as Denmark, have been going further than the EU regulation, which banned the sale of petrol and diesel cars as early as 2030, similar to some US federal states.

California has been moving faster than the new federal regulations which would apply to production starting in 2027, by predicting similar reductions for the year before, and the ultimate goal - 100% of EVs sold by 2035.

The new US federal regulation will face numerous problems before implementation.

One of the problems has been the high cost of EVs compared to traditional vehicles, which is not just a problem in the US, but globally.

The new green regulations of the Biden administration are based on last year's large package to support green industries, which contribute to decarbonisation through \$370 billion in incentives.

Part of that programme, which provides a \$7,500 incentive for EV purchases, is now at the centre of hopes that the transition would be implemented as planned.

## Risk factors

However, American and other plans for traffic decarbonisation are faced with the global problem of how to make EV production: that is, batteries, which make up a third of the value of each vehicle, cheaper.

A significant factor is an increase in EV demand through increasing the interest of customers in participating in the fight to reduce harmful gas emissions, which is already happening.

EV manufacturers must accept lower profit margins, faced with the new "green" regulation, accompanying incentives, and increased demand.

Still, this week's Gallup survey shows that resistance to green transition among drivers remains high, with as many as 40% of those surveyed in the US saying they do not plan to buy an EV anytime soon.

Almost two-thirds said that they believe that EVs do not contribute particularly, or do not contribute at all to the protection of the environment.

## Political and trade union resistance

Like any radical regulation, this latest one will also face political and Trade Unions' resistance because it inevitably causes anxiety about changing the industrial structure and, as a main consequence, the loss of current jobs.

This administration is hell bent on destroying "America's energy security and independence by making us dependent on resources and components that can come only from abroad", said Attorney General Patrick Morrisey of

West Virginia, one of a dozen Republican attorneys general who oppose Biden's measures to reduce emissions.

The increase in EV production, which is what the largest manufacturers are seeking, also means a reduced need for labour up to 50% compared to the production of vehicles with internal combustion.

Also, some essential components, such as batteries, remain high on the list of imported items (particularly from Chinese manufacturers), which further reduces the engagement of domestic companies and domestic workers.

Despite the problems with the ambitious green projects of the Biden administration being implemented, the alternative is quite negative, and it would mean a strategic delay for the US in the transition to environmentally sound transportation.

Given that the US is one of the largest producers of the greenhouse effect, this lagging behind the changes that has been happening in many other parts of the world would also mean pushing the US out of global leadership in limiting climate change, which the US would hardly allow.