



Zero Emission Transportation Association
659 C Street SE • Washington, DC 20003

March 16, 2021

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Biden,

The Zero Emission Transportation Association (ZETA) is an industry-backed coalition with over 50 member companies advocating for 100% electric vehicle (EV) sales by 2030. We applaud your early commitment and advocacy for rapid transportation electrification. Our membership stands ready to support the Biden-Harris Administration in promoting policies that accelerate strong EV deployment, which is a necessary step in achieving our shared goal of net-zero emissions by 2050.

As you know, our transportation system is the largest carbon-emitting sector in the United States, responsible for 28% of overall emissions. Transportation has a dramatic impact on public health, particularly for frontline communities. For example, in the Northeast and Mid-Atlantic region, people of color breathe in an average of 66 percent more vehicle pollution.¹ Transportation electrification is an effective solution to address public health concerns and climate change while driving job growth, domestic manufacturing, and American competitiveness. To help achieve our shared goals, ZETA offers these recommendations as a roadmap to accelerate the deployment of zero-emission vehicles.

Light-Duty Electric Vehicle Consumer Incentives

The light-duty vehicle sector is primed for full electrification in the next decade. Major legacy automakers have committed to phasing out gas-powered vehicles, and Congress has already provided important consumer incentives for passenger EVs with the 30D tax credit. However, the existing 30D tax credit prohibits manufacturers who have sold over 200,000 vehicles from continuing to offer consumers this essential credit. This cap on domestic manufacturers directly benefits foreign imports while avoidably hurting the American consumer and ultimately hindering broader EV adoption nationwide. We recommend eliminating the current per-manufacturer cap and continuing the incentive until adoption rates are sufficient to ensure we meet our 2050 net-zero emissions target.

Additionally, consumer incentives must be made more universal. Currently, the 30D tax credit does not extend to used vehicles – the largest market for consumers. Incentives should be expanded to the secondary EV market and be applied at the point of sale. Doing so will relieve the capital cost burden for used car consumers and increase the value of the incentive by pulling it forward to the time of purchase. It is critical to work with Congress to remove the 200,000 unit-per-manufacturer cap for the 30D tax incentive and apply point-of-sale incentives to the secondary market. Removing these impediments will benefit domestic manufacturers and improve access to EVs for all.

Medium- and Heavy Duty Electric Vehicle Incentives

Medium- and heavy-duty vehicles (MHDEVs) are key to an electrified transportation sector, as their emissions disproportionately impact frontline communities. Medium and heavy-duty trucks are responsible for 23% of all transportation emissions, even though they represent only 7% of vehicle miles traveled.² The U.S. needs bold incentives in the medium- and heavy-duty sectors to reduce pollution and improve health outcomes.

ZETA recommends a 30% Investment Tax Credit (ITC) for MHDEVs to incentivize commercial vehicle procurement. ZETA also proposes waiving the 12% federal excise tax for MHDEVs in order to promote deployment. This will drive domestic manufacturing and accelerate the adoption of commercial EV technologies.

¹ ucsusa.org/resources/inequitable-exposure-air-pollution-vehicles

² epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions

Prioritizing zero-emission buses will also benefit frontline communities. ZETA encourages your administration to support the Clean School Bus Act³, originally introduced by Vice President Harris, and the Green Bus Act.⁴ Both bills will further expand electrification and reduce emissions-based public health burdens from every community.

National Charging

Charging infrastructure is critical for public adoption and large-scale EV deployment, and ZETA commends your pledge to install 500,000 EV chargers. To meet the need for millions of additional charging stations, such as for multi-unit dwellings, workplaces, on-street, and other municipal uses, ZETA recommends the Electric Vehicle Infrastructure Rebate Act to help resource state, local, and tribal entities to invest in public charging. ZETA also recommends reforming the Alternative Fuel Infrastructure (30C) tax incentive by supporting the Securing America's Clean Fuels Infrastructure Act.⁵ This bill would replace the \$30,000 cap per location with a \$200,000 cap per charger to help drive residential and commercial charging infrastructure deployment.

Additionally, ZETA recommends investing \$30 billion in public charging infrastructure with an emphasis on serving frontline communities, similar to what is included in the Climate Leadership and Environmental Action for our Nation's (CLEAN) Future Act.⁶ This bill would support the adoption of zero-emission vehicles through \$2 billion in grants and rebates for the deployment of EV charging, half of which is reserved for underserved communities. The bill also includes \$45 billion in grants for transportation electrification broadly, which may include community and fleet charging infrastructure, off-road vehicles, transit, and medium- and heavy-duty vehicles.

Domestic Manufacturing

ZETA supports your 10% advanceable tax credit for domestic job creation and recommends a 30% ITC for EV charging equipment and advanced batteries – including critical supply chains – to cover capital costs and increase domestic manufacturing. ZETA continues to embrace the Department of Energy's Loan Program Office expansion of the Advanced Technology Vehicles Manufacturing loan program to include upstream materials, MHDEVs, and off-road vehicles. We must enable our capacity for domestic manufacturing using these supply-side approaches.

Performance and Emissions Standards

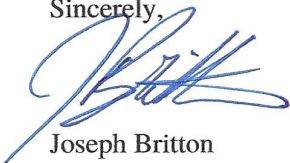
The administration should revitalize the Obama-era greenhouse gas and fuel efficiency standards to drive sharp reductions in emissions and accelerate transportation electrification by 2030. ZETA also urges the implementation of a National Clean Fuel Standard as a successor to the Renewable Fuel Standard, utilizing EV credits.

Federal Leadership

Finally, ZETA supports your federal fleet electrification goals, which will drive the EV sector forward and prime the secondary market, especially when paired with a federal EV rental program for personnel travel. We were disappointed in Postmaster General DeJoy's decision to lock the United States Postal Service (USPS) into burning gasoline for decades to come. ZETA will continue working to require USPS fleet electrification, per the Postal Vehicle Modernization Act, which ties USPS appropriations to achieving a 75% electric fleet.

ZETA hopes this policy roadmap is a helpful guide and looks forward to working with you and your team.

Sincerely,



Joseph Britton
Executive Director

CC: Speaker Nancy Pelosi, Majority Leader Steny Hoyer, Majority Leader Charles Schumer, Administrator Michael Regan, Secretary Jennifer Granholm, Secretary Janet Yellen, Secretary Pete Buttigieg, Chairman Frank Pallone, Chairman Richard Neal, Chairman Peter DeFazio, Chairman Ron Wyden, Chairman Tom Carper, & Chairman Joe Manchin.

³ congress.gov/bill/116th-congress/senate-bill/1750

⁴ congress.gov/bill/116th-congress/house-bill/5163/all-info

⁵ congress.gov/bill/116th-congress/senate-bill/3735

⁶ energycommerce.house.gov/newsroom/press-releases/ec-leaders-introduce-the-clean-future-act-comprehensive-legislation-to