

# [***Biden's Climate Agenda Is Running Headfirst Into A Wall Of His Own Making***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6C21-22D1-JBFB-H01T-00000-00&context=1516831)

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**Body**

[*Link to Image*](https://cdn01.dailycaller.com/wp-content/uploads/2024/05/2021-11-17T210939Z_1316703560_RC2JWQ9S28L3_RTRMADP_3_USA-BIDEN-INFRASTRUCTURE-scaled-e1715874924493.jpg)

President Joe Biden's administration unveiled tariffs this week aimed at boosting domestic production of green energy technology, but the move could end up hamstringing his larger climate goals.

The tariffs [*announced*](https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/14/fact-sheet-president-biden-takes-action-to-protect-american-workers-and-businesses-from-chinas-unfair-trade-practices/) on Tuesday quadruple levies for Chinese electric vehicles (EVs) to 100% and raise rates for certain Chinese green energy and EV components like minerals and batteries. Biden has made the transition to green energy and EVs a key part of his climate agenda, but hiking tariffs on those products to help U.S. manufacturing could jack up prices on the already costly products, slowing adoption by struggling Americans, according to experts who spoke to the DCNF. [***(RELATED: Don't Buy The Spin: Americans Are Getting Poorer While Prices Keep Going Up)***](https://dailycaller.com/2024/05/15/americans-getting-poorer-prices-going-up/)

The risks posed by hiking levies on green technology expose the inherent tension between Biden's climate agenda and his efforts to protect American industry, which often struggles to compete with cheap foreign labor. Items on his climate agenda typically raise costs, and requiring companies to comply could make them uncompetitive on the world stage.

“These tariffs are a classic example of the Biden administration's left hand not knowing what the right hand is doing,” E.J. Antoni, a research fellow at the Heritage Foundation's Grover M. Hermann Center for the Federal Budget, told the DCNF. “The inability to import Chinese-made EVs due to prohibitively high costs will necessitate importing raw materials and parts for EVs from China. Since automakers can't afford to build and assemble the vehicles here, prices will have to rise. In other words, American consumers will pay the cost of this tariff, not the Chinese.”

The White House, in its fact sheet, [*pointed*](https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/14/fact-sheet-president-biden-takes-action-to-protect-american-workers-and-businesses-from-chinas-unfair-trade-practices/) to China artificially lowering its prices and dumping goods on the global market as the justification for the new tariffs in an effort to help protect American businesses. China has pumped huge subsidies into its own EV industry and supply lines over the past few years, [*spawning*](https://www.npr.org/2023/09/16/1199963909/eu-launches-investigation-into-chinese-evs-to-protect-european-automakers#:~:text=The%20European%20Union%20has%20accused%20China%20of%20dumping,European%20automakers.%20The%20EU%20has%20launched%20an%20investigation.) a European Union investigation into vehicles from the country.

“Tariffs on Chinese EVs won't just make Chinese EVs more expensive, they will also make American EVs more expensive,” Ryan Young, senior economist at the Competitive Enterprise Institute, told the DCNF. “This is because domestic producers can now raise their prices without fear of being undercut by competitors. Good for them but bad for consumers - and for the Biden administration's policy goal of increased EV adoption.”

[*Several*](https://dailycaller.com/2024/01/30/gm-automaker-billion-loss-electric-vehicles/) American manufacturers are already [*struggling*](https://dailycaller.com/2024/02/07/ford-lost-billions-electric-vehicles-2023/) to sell EVs at a profit, with Ford losing $4.7 billion on its electric line in 2023 while selling over 72,000 of the vehicles. To ease price concerns and increase EV adoption, the Biden administration [*created*](https://dailycaller.com/2024/01/02/electric-vehicles-tax-credits-supply-china/) an EV tax credit of $7,500 per vehicle, depending on where its parts are made.

The market share of EVs out of all vehicles [*fell*](https://dailycaller.com/2024/04/03/electric-vehicle-market-share-plummets-first-quarter-consumers-sour/) in the first quarter of 2024 from 7.6% to 7.1% as consumers opted to buy cheaper traditional vehicles instead. Growth in EV sales increased by just 2.7% in the quarter, far slower than the 47% growth that the industry saw in all of 2023.

The Biden administration has also sought to use regulations to push automakers toward electrifying their offerings as consumers refuse to voluntarily adopt EVs, finalizing rules in March that effectively [*require*](https://dailycaller.com/2024/03/20/biden-epa-tailpipe-standards-electric-vehicles/) around 67% of all light-duty vehicles sold after 2032 to be electric or hybrids.

“By raising the price - and thereby stunting the deployment - of EVs, the tariffs undermine the Biden administration's stated goals of reducing carbon emissions (as many U.S. environmentalists and EV fans have recently lamented),” Clark Packard, research fellow in the Herbert A. Stiefel Center for Trade Policy Studies at the Cato Institute, [*wrote*](https://www.cato.org/blog/new-biden-301-tariffs-once-again-put-politics-over-good-policy) following the announcement. “The EV tariffs (and also-​announced solar tariffs) would continue the administration's habit of choosing ***politics*** and protectionism over their environmental agenda.”

Despite the subsidies, the 25% tariff that is currently in place for Chinese EVs already prices the product out of the U.S. market, resulting in no Chinese-branded EVs being sold in the country, [*according*](https://www.barrons.com/articles/biden-ev-tariff-china-tesla-ff5e6365) to Barron's. Only a handful of the more than 100 EV models being sold in China appeal to American consumers, and none of them can compete under current levies.

“Something like this happened just a few years ago when former president Donald Trump enacted 25% steel tariffs in 2018,” Young told the DCNF. “Domestic steel producers raised their prices by almost exactly the amount of the tariff, and America soon had the world's highest steel prices. As a result, car prices went up by about $200 to $300 on average. Larger trucks with more steel content increased even more. Now Biden is going to do the same thing to EVs.”

I won't allow American towns and workers to be hurt by China's unfair trade practices that flood our markets with cheap products.

That's what these new tariffs are all about. [*pic.twitter.com/GGApGqtg7O*](https://t.co/GGApGqtg7O)

- President Biden (@POTUS) [*May 15, 2024*](https://twitter.com/POTUS/status/1790785547465609538?ref_src=twsrc%5Etfw)

In the year following the increase in steel tariffs under the Trump administration, U.S. Steel's operating profit rose 38%, prices were hiked 5 to 10% and revenue was up 15% due to reduced competition, [*according*](https://money.cnn.com/2018/08/02/news/companies/us-steel-earnings-tariffs/index.html) to CNN.

Despite the massive tariff hike on EVs, Biden only raised the tariff rate on Chinese lithium-ion EV batteries and battery parts to 25%, according to the White House. The tariff rate on certain essential minerals, like natural graphite, was also hiked to just 25%.

“Despite rapid and recent progress in U.S. onshoring, China currently controls over 80% of certain segments of the EV battery supply chain, particularly upstream nodes such as critical minerals mining, processing, and refining,” the White House wrote in its fact sheet. “Concentration of critical minerals mining and refining capacity in China leaves our supply chains vulnerable and our national security and clean energy goals at risk.”

China has broad control over the [*majority*](https://dailycaller.com/2024/04/07/bidens-electric-vehicle-mandate-surprise-gift-china/) of minerals necessary to construct EVs, possessing nearly 90% of the world's mineral refining capacity. Sources of the required minerals often also have serious human rights [*concerns*](https://dailycaller.com/2024/05/09/ford-shareholders-child-labor-electric-vehicle-supply-line/), such as the world's supply of cobalt, which has widespread ties to child labor.

Biden [*attacked*](https://dailycaller.com/2024/05/14/biden-triples-down-major-trump-policy-china-tariffs-evs-criticizing-2020-campaign-debate/) former President Donald Trump during the 2020 election for the broad tariffs that he put on Chinese goods, noting that “any freshman econ student” could point out that the costs of the tariffs would be passed on to American consumers.

EV makers have increasingly struggled over the past year to maintain profits amid stalling demand, with the largest American EV manufacturer, Tesla, [*reporting*](https://dailycaller.com/2024/04/23/tesla-quarterly-earnings-trouble-ev-market/) a 10% drop in year-over-year revenue in the first quarter of 2024. Tesla is one of [*several*](https://dailycaller.com/2024/04/17/rivian-electric-vehicle-layoffs-demand-slows/) EV makers that have [*announced*](https://dailycaller.com/2024/04/15/tesla-huge-layoffs-sales-slow/) layoffs in recent months.

“Fortunately, the EV market is still small in the U.S. and Chinese EVs are an even smaller slice of that small pie,” Antoni told the DCNF. “Even if the EV market in the U.S. were large, these tariffs would not help the domestic EV industry. While consumer demand for EVs would shift to domestic models, an increase in domestic production would rely on very expensive inputs from China, cutting into profits.”

The White House did not respond to a request to comment from the DCNF.

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**Graphic**

U.S. President Joe Biden gestures after driving a Hummer EV during a tour at the General Motors 'Factory ZERO' electric vehicle assembly plant in Detroit, Michigan, U.S. November 17, 2021.

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