

# The EV Freedom Plan

By Alex Epstein and the Energy Talking Points Team

## Executive Summary

President Trump has rightly pledged to end the electric vehicle (EV) mandates. However, this is harder than it seems, since our government coerces us into buying EVs through a broad web of policies.

I've spent months untangling the web. For true EV freedom, here's every policy that must go.

- 1) Congress should repeal as many EV subsidies as possible
- 2) Federal agencies should legally minimize any EV subsidies that Congress doesn't repeal
- 3) Federal agencies should repeal all EV mandates
- 4) Federal agencies should repeal all EV preferences
- 5) Federal agencies should repeal any authorizations for states to do their own EV mandates

### 1: Congress should repeal as many EV subsidies as possible

Congress should repeal all tax credits, grants, and loans that subsidize Americans to produce and consume EVs and EV infrastructure. This will save taxpayers over \$500 billion and end an enormous distortion of the automobile market.

- **Congress should repeal the IRA tax credits for EVs and EV chargers, which among other things pay up to \$7500 to new EV buyers.**

This will eliminate massive artificial incentives for EVs and save taxpayers approximately \$316 billion.

- **Congress should repeal the IRA's Advanced Manufacturing tax credit for EV battery and battery component production, which cover 39% of the cost to produce a battery cell.**

This will eliminate a major factor making EVs artificially cheaper and save taxpayers up to \$200 billion.

- **Congress should repeal the IRA funding for DOE's Domestic Manufacturing Conversion Grants program, which offers up to \$100s of millions to factories to convert to EV production.**

This will end an artificial incentive for automakers to make EVs and save taxpayers \$2 billion.

- **Congress should repeal the IRA funding for EPA's Greenhouse Gas Reduction Fund, which offers up to \$100s of millions for EV infrastructure projects if they purportedly lower GHG emissions.**

This will remove a major subsidy for EV infrastructure and save taxpayers \$27 billion.

- **Congress should repeal the IRA funding for the EPA's Clean Heavy-Duty Vehicles program, which offers up to \$10s of millions for projects that electrify trucks and buses.**

This will end an artificial incentive for local governments to switch to EVs and save taxpayers \$1 billion.

- **Congress should repeal the IRA funding for DOE's Advanced Technology Vehicle Manufacturing loan program, which authorizes \$25 billion in loans to EV manufacturers and suppliers.**

This will remove an unfair advantage for EV automakers and save taxpayers at least \$920 million.

- **Congress should direct GAO to investigate the hidden costs non-EV drivers pay to subsidize EVs because automakers buy costly EV credits to meet government fuel economy rules.**

This will expose the massive and unfair financial burden of hidden EV subsidies.

## 2. Federal agencies should minimize any EV subsidies that Congress doesn't repeal

Federal agencies should minimize any EV subsidies that Congress doesn't repeal by tightening eligibility for tax credits, closing loopholes—and otherwise cancelling any EV subsidization efforts that are not mandated by Congress. This will save taxpayers \$10s of billions of dollars.

- **The IRS should revise its guidance for the IRA's consumer EV tax credit to limit eligibility to components and vehicles sourced within North America, as originally intended by Congress.**

This will save the budget at least \$10s of billions of dollars.

- **The IRS should revise its guidance for IRA's commercial EV tax credit to prohibit companies from leasing vehicles purchased with the credit to individuals.**

This will close a loophole that bypasses consumer credit requirements and save taxpayers \$10s of billions of dollars.

- **The DOE should revise its guidance for the IRA's EV tax credits to explicitly exclude companies with significant ties to "foreign entities of concern," as originally intended by Congress.**

This will save the budget at least \$10s of billions of dollars.

- **The IRS should set separate mileage reimbursement rates for EVs and gas-powered cars instead of using a flat rate.**

This will prevent EV owners from deducting inflated amounts based on costs they don't incur (e.g., gasoline taxes), and save taxpayers \$100s of millions of dollars.

- **The EPA should redirect Diesel Emission Reduction Act (DERA) funding away from EVs, electric buses, and charging stations on the grounds that they are not cost-effective.**

This will eliminate a significant unfair EV subsidy and save taxpayers \$100s of millions of dollars.

### 3: Federal agencies should repeal as many EV mandates as possible

Federal agencies should repeal all de facto EV mandates, including unachievable emissions and fuel economy standards that effectively ban internal combustion vehicles. This will save consumers and automakers \$100s of billions of dollars and restore consumer choice in the automotive market.

- **The EPA should renounce its authority to set fleetwide-average emission standards for motor vehicles. (EPA lacks this authority, as confirmed by Supreme Court's overturning of Chevron.)**

This will prevent the EPA from imposing de facto EV mandates disguised as emission standards.

- **The EPA should rescind its deliberately unachievable emission standards for internal combustion engine (ICE) cars and replace them with achievable standards.**

This will stop EPA's illegal partial ban on ICE cars and save consumers and automakers 100s of billions through 2055.

- **The EPA should rescind its onerous GHG standards for heavy-duty vehicles, which would require 45% electric trucks by 2032—and replace them with achievable standards.**

This will prevent EPA's illegal partial ban on ICE trucks and save automakers 100s of billions through 2055.

- **The EPA should account for the GHG emissions from electricity generation used to charge electric cars and trucks, rather than treating them as zero-emission vehicles.**

This will prevent EPA from using false assumptions to impose de facto EV mandates in any future emissions rules.

- **The NHTSA should rescind its overly stringent CAFE fuel economy standards for cars and light trucks, and replace them with cost-effective standards.**

This will prevent excessive costs for internal-combustion vehicle buyers and safeguard customer choice in the automotive market.

- **The NHTSA should rescind its unachievable fuel economy standards for heavy-duty pickup trucks and vans, and replace them with achievable standards.**

This will prevent a de facto partial ban on internal combustion vehicles by 2030.

## 4: Federal agencies should repeal any remaining EV preferences

Federal agencies should repeal or revise all EV preferences, including EV testing and performance assessment rules, EV labeling rules, and federal EV procurement rules. This will help eliminate misleading EV marketing practices and save taxpayer money that's being used on EVs.

- **The EPA should revise its EV fuel economy test procedures to align them with those for gasoline vehicles. By regulation, gasoline vehicles are tested under real world conditions while EV fuel-economy is tested under unrealistic "laboratory" conditions.**

This will prevent misleading efficiency ratings for EVs that overstate their performance and ignore real-world energy losses.

- **The DOE should eliminate the Petroleum Equivalency Factor (PEF), which boosts the number of emission credits provided to EV manufacturers by sixfold, or simply reduce it to 1.**

This will help eliminate \$10s of billions in unfair cross-subsidies from ICE car buyers to EV buyers.

- **The FTC should rescind its proposed EV labeling rules, which guide manufacturers to label battery EVs as zero-emissions vehicles despite their significant lifecycle emissions.**

This will reduce the government's participation in the myth that EVs can exist and operate without fossil fuels.

- **The GSA should rescind all federal procurement of cost-adding EVs and EV charging stations on federal property, as these violate the law by knowingly increasing costs to taxpayers.**

This will cut wasteful EV spending and raise public awareness of how their money is being misused.

## 5: Federal agencies should repeal any authorizations for states to do their own EV mandates

Federal agencies should repeal the authorizations for states like California to adopt de facto EV mandates or rules that make it unreasonably expensive to produce non-EV vehicles. This will save consumers and automakers \$100s of billions of dollars and restore automotive choice.

- **The NHTSA should reinstate its conclusion that state carbon dioxide standards and EV mandates are preempted by federal law under the Energy Policy and Conservation Act and the Energy Independence and Security Act.**

This will help prevent states from imposing costly and unlawful EV mandates.

- **If not repealed via the Congressional Review Act process, the EPA should withdraw its waivers for California to establish higher fuel economy standards then established under the EPCA.**

This will help prevent a 100% EV mandate in California and likely other states.

- **If not repealed via the Congressional Review Act process, EPA should withdraw the authorization for California's unlawful and discriminatory Advanced Clean Cars II program.**

This will eliminate a major unlawful EV mandate in California that could be copied by several other states and result in 100% elimination of ICE cars in the affected states by 2035.

- **If not repealed via the Congressional Review Act process, the EPA should withdraw its authorization for California's unlawful Advanced Clean Trucks program, which would mandate 40-75% electric trucks by 2035.**

This will prevent a de facto EV truck mandate in California and other states poised to follow suit.

- **If not repealed via the Congressional Review Act process, the EPA should withdraw its authorization for California's unlawful Omnibus regulation, which imposes unachievably strict oxides of nitrogen (NOx) standards for gas trucks.**

This will prevent a de facto EV truck mandate in California and other states poised to follow suit.

- **The EPA should reject or revoke approvals for state implementation plans for its latest PM2.5 standards that unlawfully contain EV mandates or fuel economy standards.**

This will prevent states from embedding destructive EV mandates into air quality plans.

## Conclusion

- If EVs compete on a truly level playing field, Americans will be free to drive whatever car they judge best for their needs, and EV makers and supporters will be incentivized to deliver a superior product.

Tell your Representatives to cancel all EV mandates, subsidies, and preferences!