

May 20, 2025

Re: Oppose Budget Reconciliation Proposals

Dear Members of Congress,

On behalf of our millions of members, we urge you to reject the devastating budget reconciliation bill that raises costs for American families, pollutes our communities, and eliminates hundreds of thousands of good-paying manufacturing jobs to deliver massive tax breaks for billionaires.

For decades, the oil and gas industry has desperately worked to undermine and challenge the United States' momentum for cutting air and climate pollution from the transportation sector. The Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) invested in initiatives that moved the U.S. away from our antiquated polluting transportation system powered by fossil fuels. These strategic and innovative programs prioritized reducing costs, protecting American jobs, supporting energy dominance, and driving the competitiveness of the U.S. vehicle industry, while ensuring healthy and thriving communities.

According to the recently released [State of the Air Report](#) by the American Lung Association, almost half of the U.S. population breathes harmful levels of air pollution. The 2025 report indicates that the number of Americans who live with unhealthy air rose by 25 million since last year's report. Cars and trucks are a major source of deadly particulate pollution and continue to increase the rates of asthma, lung cancer, and other respiratory diseases.

Now, House Republicans have introduced a budget reconciliation package that sacrifices our future to fund shameful tax giveaways to billionaires and corporate polluters.

Unfortunately, as part of the budget, House Republicans have proposed repealing life-saving clean air standards, going beyond the scope of the budget reconciliation standards. We urge you to **oppose the repeal of the vehicle standards**. While a non-budgetary provision, and an improper use of this bill, House Republicans have proposed repealing the Environmental Protection Agency's standards for light-duty vehicles, forcing Americans to breathe in more pollution and increasing climate pollution by 7.2 billion metric tons through 2055. The bill would also repeal the National Highway Traffic Safety Administration's Corporate Average Fuel Economy (CAFE) standards, driving up fuel costs for families by \$23 billion through 2050. Overturning these standards could drastically impact global competitiveness for the U.S. car and truck industry, cede global leadership to China, and jeopardize the future of manufacturing jobs in the U.S.

But further, House Republicans have proposed a budget that will claw back crucial incentives, essentially taking a sledgehammer to crush our nation's clean energy progress. We urge that you:

#### **Oppose the Curtailing of Tax Credits**

The text proposes overhauling the critical tax credits that consumers, businesses, non-profits,

municipalities, fleets, and manufacturers are counting on to deliver cost savings, economic growth, and EV charging infrastructure deployment. Facilities manufacturing electric vehicles and battery components across Georgia, Michigan, Tennessee, Kentucky, Ohio, and Illinois would be at risk of downsizing or closing. A [new report](#) from the International Council on Clean Transportation forecasts that repealing provisions from the Inflation Reduction Act would risk 130,000 jobs associated with auto manufacturing, plus an additional 310,000 indirectly related jobs, by 2030 in the U.S. The proposal would also lead to dramatically higher fuel costs and limit clean vehicle options. This bill would cut short or stymie the following incentives:

- 25E - Credit for Previously-Owned Clean Vehicles;
- 30C - Alternative Fuel Vehicle Refueling Property Credit;
- 30D - Clean Vehicle Credit;
- 45W - Credit for Qualified Commercial Clean Vehicles;
- 45X - Advanced Manufacturing Production Tax Credit.

### **Oppose the Repealing and Rescinding of Clean Transportation Investments**

This bill guts major IRA initiatives that have been advancing local investments in clean vehicles, charging infrastructure, public transportation, and clean mobility options. The text proposes repealing and rescinding unobligated funds for the following programs:

- The Climate Pollution Reduction Grants;
- The Clean Ports Program;
- The Clean Heavy-Duty Vehicles Program;
- Diesel Emissions Reduction Program;
- The Greenhouse Gas Reduction Fund.

### **Oppose a Punitive Tax on EV Owners**

Finally, the proposed \$250 annual registration fee on EVs would be a punitive tax on EV drivers. While individuals' use of the transportation system varies, the average fuel consumption per light-duty vehicle in 2023 was 447 gallons. At the current federal gas tax rate of 18.4 cents per gallon, the average gas-powered light-duty vehicle would have paid only \$82.25 in federal taxes to federal trust funds that year. EV drivers already pay into the transportation system's upkeep and efficiency through taxes on electricity usage, and the notion that EV drivers are getting a free ride is just plain wrong, thanks in part to taxes and fees levied at the state and local level, where more than 80 percent of road funding comes from. In 36 states, there is even already a [net tax penalty](#) for driving an EV compared to a gasoline vehicle thanks to the combination of taxes and fees already in place. The proposed annual fee structure [would not solve](#) the revenue gap in the Highway Trust Fund. Moreover this fee would place a disproportionate, unfair burden on American consumers and companies who are making the transition to cleaner vehicles.

Enacting the proposed budget would lead to economic chaos and market uncertainty, and would eliminate clean vehicle manufacturing jobs in the US. The [REPEAT Project](#) estimates that if the Trump administration repeals the EPA emissions standards and the federal clean vehicle tax credits, as much as

100% of planned construction and expansion of EV assembly in the U.S. and 50% of existing capacity could be at risk of being cancelled or closed.

These clean transportation provisions are popular among [local officials](#) and [businesses](#) because of their tremendous benefits. We urge members to vote no on this bill, which would harm our economy, health, and communities.

Sincerely,

350 Chicago

ACES 4 Youth

Alliance for Metropolitan Stability

Alliance of Nurses for Healthy Environments

American Resilience Project, Inc.

Bicycle Alliance of Minnesota

California Interfaith Power & Light

Center for Biological Diversity

Center for Progressive Reform

Climate Action Campaign

Climate Reality Chicago Metro

Climate Solutions

Coalition for Clean Air

Coltura

Community Climate Collaborative (C3)

Conservation Law Foundation

CURE

Drive Electric Dayton

Earthjustice Action

Eco-Justice Collaborative

Ecology Action

Ecology Center

Elders Climate Action

Electric Vehicle Association

Environmental Law & Policy Center

Evergreen Action

Faith in Place Action Fund

Forth

Friends of the Earth

Generation180

GreenLatinos

It's Electric, Inc.

Jobs to Move America

League of Conservation Voters (LCV)

Metro East Green Alliance

MI Air MI Health

Michigan Environmental Council

Mobilify Southwestern Pennsylvania

Mothers Out Front

Native Sun Community Power Development

National Consumer Law Center, on behalf of our low-income clients

Natural Resources Defense Council

Pacific Environment

Plug In America

Policy Foundation, INC

Project Green Home

Public Citizen

Reno + Sparks Chamber of Commerce

Respiratory Health Association

Ride Illinois

Save Our Illinois Land

Sierra Club

Southern Alliance for Clean Energy

Southern Environmental Law Center

Southwest Energy Efficiency Project

Synergy Development Solutions, LLP

Tri-State Transportation Campaign

Union of Concerned Scientists

Unitarian Universalist Church of Palo Alto

Virginia Clinicians for Climate Action

WE ACT for Environmental Justice