The American Jobs Plan Supercharges the Future of Transportation and Manufacturing

Increasingly, the global market is shifting to electric vehicles (EVs) – tapping into EVs’ potential to save families thousands of dollars, lower carbon pollution, and make the air we breathe cleaner. Yet, despite pioneering the technology, the United States is behind in the race to manufacture these vehicles and the batteries that go in them.

Today, the U.S. market share of plug-in electric vehicle (EV) sales is only one-third that of the Chinese EV market. And in 2020, China had approximately 800,000 public charging points compared to just 100,000 in the U.S. President Biden believes it is time for this to change and for the U.S. to lead in EV manufacturing, infrastructure, deployment, and innovation.

Through the investments in the American Jobs Plan, we can re-establish U.S. leadership in electric vehicles and batteries. The American Jobs Plan will position America to win the future of transportation and manufacturing with once-in-a-generation investments that will strengthen our ability to create good-paying, union jobs, dramatically expand American manufacturing, make EVs more affordable for families, and ship EVs and their parts around the world.

Now is the golden time for long-term, transformative investments. As the economy heals, and interest rates remain low, President Biden believes these investments will ensure we manufacture the next generation of vehicles right here in America, lead the world in EV and battery innovation, and create strong, sustained, and durable growth for decades to come.

The American Jobs Plan will accelerate our domestic EV industry by driving demand for advanced cars and trucks, reinvigorating our automotive sector and battery manufacturing, deploying a national network of chargers, and advancing our innovation capacity for the next generation of technology.

Driving Demand

The American Jobs Plan will create incentives to continue to lower the cost of and support market demand for electric vehicles. These incentives are a proven policy to support the growing market for EVs, which then drives down the purchase price as the auto industry scales up production and creates incentives for domestic production. The American Jobs Plan will help support EV deployment with:

- **Consumer Incentives**: Provide point-of-sale incentives that encourage EV deployment. These incentives will not go towards expensive luxury models and will also incentivize manufacturers who use good labor practices. Incentives provide critical encouragement for manufacturers to move to sell more EVs.

- **Tax credits for zero-emission medium- and heavy-duty vehicles**: a new tax credit that will support the market for electric and fuel cell trucks and other heavy vehicles. Heavy-duty vehicles are major contributors to poor air quality and health problems, especially in environmental justice communities, and deployment of zero emission versions will clean up the air in communities that need it most.
• **Transit buses:** $25 billion as a transformative investment in clean transit vehicles. These advanced vehicles will improve urban air quality and environmental justice.

• **School buses:** $20 billion to convert 20% of the fleet of school buses to electric. This will improve the air that kids breathe and create jobs in clean bus manufacturing.

• **Federal fleet leadership:** Funding for federal agencies, including the Postal Service, to lead on transitioning their vehicle fleets to electric and installing charging infrastructure. The federal government spends more than a half-a-trillion dollars buying goods and services each year. This purchasing power can be used to drive innovation and clean energy production, as well as to support high quality jobs.

**Manufacturing and Supply Chains**

The American Jobs Plan recognizes that EVs are important to the future of a strong American manufacturing base. Securing the domestic production of EV parts, like batteries, also represents an opportunity to shore up U.S competitiveness in a growing market, bolster our domestic supply chain, and create good-paying jobs in the U.S. -- union jobs. The American Jobs Plan will:

• **Provide tax credits to clean vehicle manufacturing:** The plan proposes new funds to the 48C Advanced Manufacturing Tax Credit, which has a successful track record in supporting advances in manufacturing. EV manufacturing is an eligible use for this credit. The proposal mirrors the Manchin-Stabenow bill by including a set aside for coal communities.

• **Incentivize the start-up of new battery production facilities:** The President’s plan proposes cost-sharing grants to support new high capacity battery facilities in the United States, recognizing that new businesses may not be able to access tax credits but can pitch in their fair share as they scale their operations.

• **Provide low cost credit for the production of advanced vehicles:** The plan provides new capital to the Advanced Vehicle Technology Manufacturing Program to support companies who domestically produce clean energy vehicles, and it proposes that the program incentivize the production of medium and heavy-duty vehicles.

• **Fund retooling of dormant factories:** Brownfield grants will support the upgrading and reopening of facilities that had previously shuttered, revitalizing communities and increasing domestic capacity to build advanced vehicles and parts.

**Creating a National Network of Charging Infrastructure**

The American Jobs Plan will establish grant and incentive programs for state and local governments and the private sector to build a national network of 500,000 EV chargers by 2030, while promoting strong labor, training, and installation standards. It will establish:

• **Grants and incentives for public EV charging infrastructure:** To build a national network of 500,000 charging stations, the plan will make a bold $15 billion investment that spurs the manufacturing and installment of chargers. Through state and local governments and the private sector, it will fund chargers in apartment buildings, in public parking, and throughout communities, and robust fast charging along our nation’s roadways. Charger installation and maintenance creates good-paying, union jobs right
here in America that cannot be outsourced, and the American Jobs Plan also includes incentives to bring more charging equipment manufacturing to the United States.

- **Tax credits for other charging infrastructure:** Because some infrastructure, such as fleet depot charging, residential charging, and workplace charging, may not be eligible for federal grants, the plan will extend and improve the 30C Alternative Fuel Infrastructure Tax Credit so everyone can have access to electric vehicle changing infrastructure.

**Research and Innovation**

Public investments in research and development lay the foundation for the future breakthroughs and innovations that over time yield new businesses, new jobs, and more exports. The American Jobs Plan will establish the U.S. as a leader in innovation and R&D. It will:

- **Scale up federally-funded research and development:** The American Jobs Plan will invest $35 billion in transformative research and development for energy and climate related topics, of which $15 billion is specifically set aside for the Department of Energy, a leader in applied clean energy research, including advanced batteries. It will also invest $40 billion to upgrade research infrastructure such as laboratories and networks. The plan will increase funding in key areas to reestablish our leadership in innovation and create a pipeline of technologies that we can build here.

- **Make it in ALL of America:** The President is calling on Congress to invest $20 billion in regional innovation hubs and a Community Revitalization fund – building the social infrastructure to support innovation and productivity across the country.