

# Invest in the growing electric vehicle market



Federal transportation policy should position the United States to build a competitive advantage in electric vehicle (EV) manufacturing and lead the EV industry. Doing so would enable U.S. automakers and suppliers to create hundreds of thousands of jobs.

An essential part of this is catalyzing the market demand by developing a charging network as comprehensive and convenient as gas vehicle refueling. To accomplish this, Congress should increase the flexibility of the federal EV fueling program and align these programs with local priorities and user convenience.

## Policies to improve the state of the system

- 1. Reduce unnecessary restrictions placed on states in the National Electric Vehicle Infrastructure (NEVI) program.**
  - Remove FHWA guidance that forces states to locate NEVI projects and chargers within a certain distance of designated highways.
  - Retain and promote NEVI data standards that promote reliability, interoperability, and standardization. Focus federal efforts toward developing payment standards between EV charger vendors to improve customer experiences.
  - Provide flexibility for states and other federal funding recipients to purchase the type of charger plugs and charger power level, including micromobility charging, that is best for their case.
  - Allow a portion of a state's funds to be used for electrification infrastructure upgrades, such as transformers or local grid upgrades, in order to enable future public or private charger installation.
- 2. Increase flexibility and allow states to pass down funding for electric vehicle infrastructure to localities.** If states choose not to obligate federal EV infrastructure funds themselves, they should be suballocated to local jurisdictions.
- 3. Establish an EV user charge.** Electric vehicles should pay into the transportation system just like gas and diesel vehicles do. Congress should consider a user fee on electric vehicles that is equivalent and comparable to the one placed on conventional internal combustion engine (ICE) vehicles, minimizing the burden for lower-income users, and pricing in the increased wear and tear that the heaviest EVs cause on roadways.

- Establish a fuel tax so no matter what fuel is used today or in the future. A fuel tax is paid over time rather than all at once, as registration fees do. A fuel tax also taxes heavier vehicles that require more fuel and cause more damage at a higher level, effectively addressing negative externalities. For EVs, the tax would be applied to the electricity used to power them.
- Require manufacturers to develop methods to track and report, at the vehicle level, energy drawn down during charging. Manufacturers where possible could accomplish this via over the air software updates for older vehicle models and recalls where needed.
- Use a portion of EV revenues for planning, construction, and maintenance of EV chargers and EV infrastructure.

For questions or more information, please contact our policy team at [info@smartgrowthamerica.org](mailto:info@smartgrowthamerica.org)



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