

**Opening Statement of Chairman Whitehouse
Senate Budget Committee Hearing: “Charging Ahead: The Future of Electric Vehicles.”
July 31, 2024**

I want to start by thanking Senator Graham and his staff for their partnership on today’s hearing, and Ranking Member Grassley for blessing this effort. Today’s bipartisan hearing looks at transitioning away from fossil fuels — an economic, national security and climate imperative — in a way that effectively seizes opportunities and addresses challenges.

The auto industry is a major economic engine. In 2023, the global auto market was valued at \$4 trillion, of which the U.S. accounted for a bit less than 17 percent. Two U.S. automakers, Ford and GM, were among the world’s five largest automakers. Foreign companies operate assembly plants in the U.S. Motor vehicles and parts were America’s second largest export. The auto market could increase to over \$6 trillion by 2031. To grow U.S. autoworkers’ share of this growing pie, we need to understand and respond to this global market.

Globally, 20 percent of vehicles sold in 2023 were electric. In China, the world’s largest auto market, 33 percent of cars were electric; in Europe, 20 percent of vehicles sold were electric. Other major markets are racing to EVs. Between 2022 and 2023, electric car sales tripled in Brazil, and more than quadrupled in Thailand.

The writing is on the wall: around the world, the future of personal transportation is electric, independent of whatever the United States decides to do. And that’s great. First, it means freedom from a global commodity whose price is manipulated by petro-dictators. Over and over, American consumers suffer, as the geopolitical designs of petro-dictators cause oil prices to soar. Real energy independence comes from independence from fossil fuel cartels.

Going electric benefits Western democracies, as oil and gas revenues fund many of our foreign adversaries. Look no further than the corrupt petro-tyrant Vladimir Putin. As we reduce our dependence on oil and gas, we diminish our foreign adversaries’ abilities to bully and corrupt. Senator Graham and I wrote in a 2021 op-ed published in *Time* magazine, “If you could wave a magic wand, and transition the world away from fossil fuels, Americans would instantly be safer.”

As the driver and owner of two Chevy Bolts, I’ll also add — they’re just better cars. They’re quieter, faster and more fun to drive. They don’t have tailpipe emissions stinking up highways and neighborhoods. Repair and maintenance costs are nearly nonexistent. No oil changes, one tenth the number of parts to break or fail. No expensive, dangerous, smelly gasoline.

In emergencies, EV fleets can provide backup power to families when grids are down; and smart chargers can help shave dangerous load peaks for utilities, if we make the needed small investments in the required infrastructure.

And of course, yes, electric vehicles dramatically reduce carbon pollution in the transportation sector, currently the largest source of fossil fuel emissions in the U.S. The more we reduce carbon pollution, the better our chances of avoiding the dire, systemic climate-related economic

risks we've discussed in this committee over the last 18 months. It may be too late to save Florida's property insurance market, but there are plenty of other risks we'd be wise to avoid and fools to stumble into.

Electrifying the transportation sector presents a tremendous economic opportunity. Automakers are getting the message that people want EVs, and they are responding. Since 2017, they have, along with their battery partners, invested \$125 billion in electrification. 20 states have or will have EV production or assembly of battery facilities.

For some reason, Tesla is taking a hit, but other makers are seeing surging sales year-over-year. Ford EV sales increased 86 percent from Q1 2023 to Q1 2024; Rivian sales jumped 59 percent over the same period.

So, how do we position our auto industry and our nation for that economic opportunity and global competitiveness?

As our economy electrifies, it needs to be supported by a 21st (not a 20th) century grid. The grid will need to handle increased demand from electric vehicles, heating and cooling, manufacturing, hydrogen electrolyzing, and energy-gobbling data centers. To meet this demand with clean power requires new and upgraded transmission to deliver that power to consumers. That means smart reforms to our cumbersome and antiquated permitting process.

Domestic supply chain investments must accelerate.

Look at China. 15 years ago, China saw the value of electric vehicles and batteries, began investing, and now it dominates critical mineral and battery manufacturing markets. Let's learn the servitude lessons from our fossil fuel dependence, and our lost manufacturing capacity. Let's swiftly counter this emerging geopolitical risk with smart investment, and take back our economic dominance in clean energy products.

We must also find a way to reconcile the surging EV market with a Highway Trust Fund that provides 80% of federal highway spending with a majority of its revenue from federal gas taxes. The Bipartisan Infrastructure Law, which most recently replenished the Fund, sunsets in just two years. The clock is ticking on highway infrastructure funding.

To my mind, this is a "morning in America" moment: freedom from dependence on petro-dictators; opportunity to reclaim from China clean energy leadership; better, safer products for American consumers, with more money in their pockets; cleaner air to breathe along highways and neighborhood streets; *and* an important step on our pathway to climate safety. What's not to love, if we do this right?

Thank you again to Senator Graham for this hearing, and I look forward to the conversation.