OPINION // OPEN FORUM

Despite Trump's acts of sabota to stay

By **Jane Gould**

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Cars power up in 2021 at an electric vehicle charging station in San Francisco. Despite the end of tax credits for EV buyers, sales are expected to rise as prices fall.

Lea Suzuki/S.F. Chronicle

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On his first day back in office, President Donald Trump signed an executive order to end the government's $7,500 federal tax credits for electric vehicles that had been put in place with the passage of the Inflation Reduction Act.

After that, his administration moved to repeal environmental mandates that also helped car manufacturers plan for future demand.

The tax credits, which ended on Sept. 30, have helped move a boatload of EVs. During the third quarter of 2025, an estimated 410,000 EVs will be sold. That marks a new sales peak. California accounts for about a third of the EV sales, even withstanding the lower demand for Teslas. Last year, just under 1 in 4 new car sales were electric.

But if you missed out on taking advantage of a federal rebate during the recent surge, don't despair.

Despite Trump's acts of sabotage, EVs will continue to get built, and they will continue to become more affordable. In part, that's because an electric car has only 20 moving parts compared to about 2,000 in the drivetrain of a gas car. EV drivers end up with lower maintenance costs and spend less time in the repair shop.

Electric vehicles are essentially a battery on wheels, and those batteries are getting more durable and faster to recharge. The batteries that power EVs are on an upswing for three main reasons:

First, batteries are critical for the Department of Defense. Advanced lithium-ion batteries propel stealthy torpedoes, precision drones and unmanned space vehicles. They also power ground-to-ground communications and portable GPS packs that soldiers carry. The government has added critical battery materials to the National Defense Stockpile. This attention to batteries spills over to the consumer market and improves each generation of vehicles.

Second, the government is not just a passive consumer; it's actively building the domestic supply chain for lithium, copper, rare earth minerals and more. Last week, it began to broker a deal with Lithium Americas Corp. for a stake in its supply. In July, the Pentagon took the unusual step of acquiring a 15% stake in MP Materials, a rare earth producer. Rare earths are not as uncommon as their name suggests, and a stockpile is considered critical for national security.

The government has pledged to buy 100% of MP magnets for 10 years. These magnets are a key component for motors in electric cars, typically two or four motors per vehicle. Using a domestic source for rare earth minerals helps both the defense industry and automakers bring down supply chain costs.

Third, battery makers and automobile manufacturers also have a tailwind from a tax credit from former President Joe Biden's administration that remains on the books. The 45X Advanced Manufacturing Production Credit, a cornerstone of the Inflation Reduction Act, spurs private investment for battery development. And, like the investment in MP Materials, it incentivizes the supply chain. Importantly, most of the 45X credits for critical minerals stay on the books through 2033 and allow companies to sell them to a third party, providing funds, for instance, for a new EV startup. There's a precedent: For many years, tax credits accounted for a lion's share of Tesla's profits.

The fundamentals of batteries also work in favor of electric vehicles, even without the $7,500 incentive. Since 2010, the average cost of a lithium-ion battery pack has dropped from over $1,000 per kWh to under $100 per kWh. This cost decline is not a fluke; it's a predictable outcome of economies of scale, competition and advanced technology.

Electric vehicles are now reaching price parity with gasoline vehicles. Prices should continue to drop with more vehicles in production, particularly since China continues to ramp up its manufacturing. Ironically, we may be helping them do that through the global supply chain.

Unlike gasoline, batteries can be recycled in closed-loop manufacturing. Old EV batteries are chemically reprocessed to recover essential materials like lithium and copper. The "black mass" that's created, a mix of recycled metals, is the new mother-lode. But 95% of the U.S.-produced black mass is sold to China, which helps it produce cheaper vehicles. As we strengthen our supply chain, we also drive down the cost of making EVs in the U.S.

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The Trump administration may not have been kind to electric vehicles, but it has not killed them, either. At the end of the day, an electric car is a battery on wheels, and battery advancements are rocketing. The owners who have these battery-driven cars like them. According to a recent JD Power Survey, 94% of drivers don't plan to go back to gasoline cars.

In March, there was an iconic picture taken on the White House lawn. A smiling Elon Musk and President Trump exchanged the keys (or fob) to a bright red Tesla S model. Thereafter, EVs got caught in the crosshairs of red and blue politics, but they won't stay there for too long.

Jane Gould is a retired transportation planner from Northern California, formerly with the UC Institute of Transportation Studies. She has followed the ebbs and flows of the electric vehicle industry since the first California EV mandate in the 1990s.

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