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Support for Vehicle Choice, Ending EV Subsidies, and the Higher Blend Infrastructure Incentive Program (HBIIP)

EMA and its members strongly support policies that promote energy security, economic growth, and affordability. Automotive standards and biofuels are critical to maintaining reliable, affordable energy for American consumers and businesses. Federal policies should maximize consumer preferences and fuel fungibility to strengthen a robust liquid fuels market. Accordingly, EMA supports:

* **Use of the Congressional Review Act (CRA)** to overturn three Biden-era rules granting Clean Air Act waivers to California, including the waivers for California's Advanced Clean Cars (ACC II) rule and the State's clean trucks and heavy-duty NOx regulations.
* **Fair Sharing of Highways and Roads for Electric Vehicles Act of 2025 or the “Fair SHARE Act of 2025,” (S. 536) (H.R. 1253)**, sponsored by Senators Fischer (R-NE), Ricketts (R-NE), and Lummis (R-WY) and Congressman Dusty Johnson (R-SD), which imposes a one-time $1,000 fee on EV purchases to ensure EV owners contribute to the Highway Trust Fund like gas-powered vehicle owners do.
* **The Eliminating Lavish Incentives to Electric (ELITE) Vehicles Act (S. 541) (H.R. 1367),** sponsored by Senator Barrasso (R-WY) and Congressman Arrington (R-TX), which repeals the $7,500 tax credit for new EVs, eliminates the tax credit for purchasing used EVs, wipes out the federal investment tax credit for electric vehicle charging stations, and closes the “leasing loophole” that has allowed certain taxpayers and foreign entities to evade restrictions on EV incentives.
* **Increased funding for the Higher Blends Infrastructure Incentive Program (HBIIP)** to help small business energy marketers to expand access to affordable biofuels and improve fueling infrastructure nationwide.

**Urge Senators to Support Resolutions to Overturn California Waivers Allowing ICEV Bans**

The House of Representatives approved three Congressional Review Act (CRA) resolutions that would overturn the EPA’s approval of the Clean Air Act waiver for California's Advanced Clean Cars (ACC II) rule, along with approved federal waivers for the State's clean trucks and heavy-duty NOx rules. 10 Democrats supported the Joint Resolution to stop California from dictating which cars motorists should drive and 13 Democrats voted to block California’s electric truck mandate.

Under the CRA, Congress is empowered to review “rules” issued by federal agencies, including EPA. Congress may review a rule for a period of 60 days and then disapprove it using special procedures through a joint resolution of disapproval. Now, the House-passed joint resolutions head to the Senate, however, there does remain a few outstanding procedural questions. That’s because Senate Parliamentarian Elizabeth MacDonough, who acts as the Senate’s independent referee, disagrees that the CRA can be used to overturn California’s emissions standard rules. Her ruling followed a Government Accountability Office opinion issued earlier this year that California’s waivers aren’t federal rules subject to CRA. The GOP needs 51 votes to approve the CRA, so they can only lose two votes.  
  
California’s ACC II rule includes a mandate for vehicle manufacturers to sell increasing percentages of zero-emission vehicles in the State, beginning in model year 2026, and culminating in a ban on internal combustion engine-powered vehicles in 2035. To date, 17 states have adopted portions of California’s light- and heavy-duty vehicle regulations. By design, California’s ACC II rules operate to reduce the liquid fuels market by giving preferential treatment to electric vehicles, thereby injuring energy marketers and others who participate in the market. EPA’s waivers have a systemic inflationary effect –– not only increasing the cost of vehicles but also raising the cost of goods and services for American families. ***EMA urges Senators to support the CRA resolutions of disapproval for the California waivers and restore vehicle choice for all Americans.***

**RVP Summertime Fuel “Opt-Out” and the Nationwide Consumer and Fuel Retailer Choice Act**

The EPA granted a petition from eight Midwest governors to eliminate the RVP waiver for E10, enabling year-round sales of E15 but creating a separate fuel market in those states starting summer 2025. EMA has expressed concern that the creation of a “boutique fuel” could disrupt gasoline supply, increase costs, and reduce fuel fungibility, potentially raising prices for consumers. A study estimated the regional fuel change would cost $500–$800 million, prompting EPA to delay implementation by one year. To avoid these impacts, EMA does not object to the “Nationwide Consumer and Fuel Retailer Choice Act” that would allow year-round, nationwide E15 sales without seasonal restrictions.

**Fund System and Dispenser E15 Compatibility through HBIPP**

To ensure underground storage tank (UST) systems and dispensers are compatible with higher ethanol blends (E15), Congress needs to appropriate at least an additional $500 million for small- to medium-sized energy marketers to make necessary upgrades.

In October 2024, Senators Joni Ernst (R-IA) and Amy Klobuchar (D-MN) sent a letter to the USDA requesting additional funding through the Commodity Credit Corporation (CCC) to extend the Higher Blend Infrastructure Incentive Program (HBIIP). This program helps retail store owners purchase the infrastructure necessary to provide E10 and B20 plus blends at the pump and B20 plus blends for heating fuel distribution facilities. HBIIP grants support transportation fueling, fuel distribution, and home heating oil distribution facilities, lowering out-of-pocket costs for businesses to install or upgrade fuel dispensers, storage tanks and systems, and other related equipment.

Unfortunately, the HBIIP funding of $500 million is insufficient to support the small business energy marketers who must make compatibility upgrades. Further, small businesses must invest significant resources to pursue HBIIP funding. The cost to hire a grant writer ranges from $5,000 - $10,000 and applicants are dedicating an average of 80+ work hours completing these applications. Small and medium sized businesses do not have the time or resources to compete with large corporations for USDA grants. By increasing HBIIP funding and including a preference that a portion of the funds be for the smallest businesses, energy marketers across the country can make the necessary infrastructure upgrades.

**“The Ask”** *(Committees: House & Senate Appropriations, House Energy and Commerce; Senate Environment and Public Works; House and Senate Agriculture; All lawmakers)*

* Support the CRA joint resolutions of disapproval for the California waivers and restore vehicle choice for all Americans.
* Support Fair Sharing of Highways and Roads for Electric Vehicles Act of 2025 or the “Fair SHARE Act of 2025,” (S. 536) (H.R. 1253).
* The Eliminating Lavish Incentives to Electric (ELITE) Vehicles Act (S. 541) (H.R. 1367).
* Support HBIIP funding through the Commodity Credit Corporation (CCC).
* Appropriate an additional $500 million under the CCC for the HBIPP program to support small to medium sized companies who need to make upgrades to ensure underground storage tank (UST) system compatibility.

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