



TEAM: ENERGY & INNOVATION

Issue Experts:

Gretchen Bennett, Yolo-Solano Air Quality Management District,

Gbennitt@ysaqmd.org

John Lane, Teichert, JLane@teichert.com

SUBJECT: POWERING AMERICA'S ECONOMY FORWARD – UNLEASHING AMERICAN AI AND ADVANCED TECHNOLOGY VEHICLE INNOVATION

REQUESTED ACTION:

- Expand and strengthen federal incentives that help businesses invest in advanced heavy-duty vehicles built by U.S. manufacturers through proven, high-impact programs like the Diesel Emissions Reduction Act (DERA), the Clean School Bus Program, and commercial vehicle tax credits such as Section 45W.

HOW THIS SUPPORTS U.S. MANUFACTURING:

1. **Accelerating AI Integration & Demand:** Federal incentives provide the predictable consumer demand required for U.S. manufacturing giants to continue investing billions into AI integration and onshoring vehicle production.
2. **Turbocharging the Free Market:** Federal incentives encourage consumers to shop for the best equipment, fueling a race to the top among U.S. manufacturers and ensuring that public funds reward the most innovative vehicle technology.
3. **Dominating the AI Race:** China is aggressively subsidizing its advanced vehicle makers. Federal incentives for U.S. businesses to buy American-made autonomous, AI-powered vehicles will ensure American manufacturers have the capital needed to win the global race.

HOW THIS SUPPORTS BUSINESSES:

1. **Bypassing the Labor Bottleneck:** Autonomous vehicles offset workforce shortages by executing advanced tasks with minimal human intervention.

Innovation Highlight: *John Deere's newest combine grain harvester essentially drives itself and delivers 20–30 percent productivity gains.*



For more information, please contact
Caleigh Olgeirson, Senior Policy Analyst
colgeirson@metrochamber.org | www.metrochamber.org

CAP TO CAP

2. **Slashing Costs:** AI-powered autonomous vehicles save businesses money by minimizing inefficiencies and optimizing operation. While large fleets lead the way and are already seeing significant benefits from AI integration, federal incentives ensure small businesses can also access these high-value technologies that will enable them to grow into the next business powerhouse.

Innovation Highlight: *Walmart leverages AI, predictive maintenance, and route optimization to streamline its delivery fleet, reducing transit time and maintenance costs.*

HOW THIS SUPPORTS RESIDENTS OF OUR REGION:

1. **Ensuring Regulatory Stability:** Achieving the 2015 Federal Ozone standard through incentivized advanced vehicle adoption – rather than new regulatory mandates – shields the region’s businesses from the federally required Clean Air Act fees and restrictive regulations triggered automatically by nonattainment.
2. **Fueling Regional Growth:** Advanced vehicle incentives accelerate economic development by modernizing fleets and reducing regional emissions – improving public health and attracting businesses and residents to one of the fastest-growing regions in the state.

INCENTIVES IN ACTION



In the Capital Region, incentives helped tip the scales for PepsiCo, enabling the company to invest in hundreds of Tesla Semi-Trucks beginning in 2023. Erica Edwards, Senior Vice President for Manufacturing at PepsiCo, said federal and state grants allowed the company to accelerate its transition to advanced vehicles.

"We do need to move faster," she told the Sacramento Bee in 2023. "And if you think about a company like ours that has thousands and thousands of trucks on the road, we do need help, right?"

BOTTOM LINE: Federal incentives are the strategic investments in American businesses – big and small – that drive technological innovation, efficiency gains, economic growth, and the American Dream.