

## Foley Automotive Update

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Operational decisions can help address challenges and opportunities.

- Labor negotiations between the **UAW** and **Detroit Three** automakers concluded following the **ratification of contracts** by a narrow margin at [GM](#), and by wider margins at [Ford](#) and [Stellantis](#).
- **Higher wages for autoworkers** resulting from new labor contracts could impede efforts to sell EVs at more affordable price points, according to a report in [Bloomberg](#).
- The percentage of consumers considering an EV purchase declined, and **high selling prices are a key market barrier**, according to analysis from S&P Global Mobility featured in [The Wall Street Journal](#).
- Wood Mackenzie [predicts](#) combined sales of **battery EVs, plug-in hybrids** and a small number of **fuel cell EVs** will represent approximately **10% of U.S. new vehicle sales in 2023**, rising to **52% by 2032**. The analysis notes that while U.S. EV production surpassed consumer demand this year, vehicle electrification is expected to remain the long-term trend. Two key market headwinds to EV growth in the near-term are **high vehicle prices** and the outcome of the **2024 U.S. presidential election**.

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- The U.S. auto industry could be impacted by shifts in policies for **immigration, trade, and vehicle electrification** following the outcome of next year's **presidential election**, according to a report in [Automotive News](#).
  - [Nikkei Asia](#) reports certain **South Korean battery makers** are reducing workforces and revising production targets in the U.S. amid a **slowdown in the transition to EVs**.
  - The **U.S. Department of Energy** [announced](#) up to \$3.5 billion in funding from the 2021 infrastructure law toward **domestic battery and battery material manufacturing**. The funds will be granted to projects focused on battery-grade processed critical minerals, battery precursor materials, battery components, and cell and pack manufacturing.
  - **UAW** members [ratified](#) a five-year collective bargaining agreement with **Mack Trucks** which covers approximately 3,900 employees.
  - **Amazon** [will launch](#) vehicle sales in the U.S. in 2024, and allow car dealers to sell directly to customers on its site beginning with the **Hyundai** brand.
  - Voters in **Maine** approved a “**right to repair**” [proposal](#) allowing independent repair shops access to the same data as car dealerships. In response, the **Alliance for Automotive Innovation** released this [statement](#): “The legislature should examine this referendum in 2024 and consider legislation to codify the national cooperation agreement that already exists – and has worked well for a decade – between independent repairers and automakers.”
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- [The Wall Street Journal](#) reports **auto exports** from nations including China, South Korea, Japan and Germany have **increased by double digits in recent months**, in contrast to weakness non-auto exports.
  - **Stellantis** [will offer](#) voluntary **buyouts** to approximately half of its
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U.S. salaried workforce due to “challenging market conditions” and the transition to EVs.

- **Toyota, Honda, Hyundai and Nissan** will [raise salaries](#) for production workers at U.S. facilities as a result of the **UAW**’s labor agreements with the Detroit Three automakers.
  - Jeep production was [temporarily halted](#) on November 15 due to a **UAW strike** at a supplier in Ohio.
  - The **UAW** is pursuing efforts to organize workers at **Honda** and **Subaru**, according to a report in [The Wall Street Journal](#).
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- The redesigned **2025 Toyota Camry** will only be offered as a [hybrid vehicle](#). The automaker has offered a hybrid version of the Camry since 2007, and the vehicle has been the top-selling car in the U.S. for 22 consecutive years.
  - [Analysis](#) from the U.S. Department of Energy estimates there have been 208 private sector and 27 federal investment announcements in **American-made battery technologies** as of September 2023, representing over \$120 billion in funding.
  - **Exxon** [plans to supply](#) enough **lithium** for the equivalent of 1 million electric vehicles annually by 2030, by extracting the metal from underground saltwater reservoirs in locations such as Arkansas.
  - **Honda** will invest \$15 million as part of its foundational partnership role in an upcoming **Ohio State University** [battery cell research center](#).
  - GM [announced](#) its **BrightDrop** commercial electric vehicle business will no longer operate as a subsidiary, and will instead be absorbed into the company.
  - Strengthening EV charging infrastructure is among the key priorities for the new **chief mobility officer** for the state of **Michigan**, according to an interview in [Crain’s Detroit](#).
  - **Volvo Group** [acquired](#) the assets of the bankrupt electric bus and battery manufacturer **Proterra** for \$210 million.
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- **Hyundai's** air mobility division, Supernal, plans to [reveal](#) an **electric vertical take-off and landing craft (eVTOL)** prototype at the CES in Las Vegas in January. The company intends to build eVTOLs at an unspecified U.S. location in the coming years.
  - Colorado-based **Forge Nano** [plans](#) to establish a \$165 million battery manufacturing plant in **North Carolina** by 2026.
  - Minnesota-based **Zeus Electric Chassis** [will partner](#) with Michigan-based **Edison Manufacturing and Engineering, Inc.** to produce a battery-powered class 5 truck.
  - Chinese smartphone company **Xiaomi** [revealed](#) details of its debut EV, which will be manufactured by state-owned **Beijing Automotive Group**.
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- The **National Highway Traffic Safety Administration** [withdrew](#) a proposed rule that would have required all new cars and light trucks to be equipped with **vehicle-to-vehicle (V2V) communication systems**, due to the emergence of new technologies such as cellular vehicle-to-everything (C-V2X).
  - A group of U.S. House lawmakers [submitted questions](#) to 10 **autonomous vehicle companies** about whether data collected in the U.S. is shared with entities affiliated with **China**.
  - The CEO of GM's self-driving unit **Cruise** [resigned](#) on November 19. The action comes less than a month after **Cruise** halted its [robotaxi operations](#) across the U.S., following the decision by the **California Department of Motor Vehicles** to [suspend](#) the company's operating permits due to safety concerns.
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- A U.S. House panel is [investigating](#) a **Federal Trade Commission** proposal to expand certain disclosure requirements for **automotive dealerships**. The Center for Automotive Research [estimates](#) dealerships could face significant compliance costs if the **Motor Vehicle Dealers Trade**
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**Regulation** rule is enacted.

- Continuing to provide **AM radio in new vehicles**, including electric models, could cost automakers up to \$3.8 billion dollars through 2030, according to a [new report](#) from the **Center for Automotive Research**.
- Proponents of **hydrogen-powered heavy-duty trucks** [cite the potential](#) for longer driving distances and faster recharging compared to battery-cell electric trucks, while noting the technology is in the nascent stages of development.
- The **National Transportation Safety Board** is [recommending](#) that automakers install **intelligent speed assistance technology and countermeasures** in all new cars and trucks following an investigation into a multi-vehicle crash last year in suburban Las Vegas that led to nine fatalities.

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