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Research Note

When Midterm Elections Meet the Data:

What 17 Years of CAR Research on Automaker Investment Show

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Some industry analysts and trade press coverage after the Nov. 3 midterms have suggested that a new Congress could press for tariff relief and open a debate over reviving EV incentives, though several automakers say they are not counting on it.[1,2] CAR's analysis of 17 years of announced investment and auto policy suggests the automakers may be right this time: a Congress split from the White House rarely moves auto policy on its own.[3,4]

Key findings from CAR's analysis of nearly $300 billion in announced U.S. investment, 2009–2026

- **Dollar volume held across presidential terms; the mix flipped.** Announced U.S. investment averaged about $29 billion a year under President Biden and about $32 billion so far in President Trump's second term, though single years ranged from $9 billion to $48 billion. Electrification's share fell from 86% to 34%.[3]
- **The executive branch writes most of the rules.** Of 34 landmark auto policy actions since 2009, 26 were executive tariffs, trade actions or regulations, and seven of the eight auto laws passed when one party held the White House, House and Senate.[3,4]
- **Split government has passed only one auto law.** It was about trade: the USMCA Implementation Act, signed in January 2020, and that agreement is now under its first annual review.[4]

For 2027–2028, CAR's Book of Deals data suggest that ***where*** automakers invest will hinge most on trade policy, led by the USMCA annual review. ***What*** they build will depend more on emissions law, which could shift again with the endangerment finding litigation or the 2028 election. That uncertainty is one reason automakers are investing in flexible plants that can build gas, hybrid and EV models side by side.

As of Nov. 19, 2026, AP's count of the Nov. 3 House races showed Democrats with 257 seats won and Republicans with 172. Six seats were counted for neither party. As of the same date, AP's Senate count showed Democrats with 56 seats, including 2 who caucus with them, and Republicans with 44, counting holdovers. These figures may have changed since then. The 120th Congress is seated in January 2027.

Figure 1: CAR's Book of Deals data as a leading indicator

Announcements lead the industry: today's commitments become plants, jobs and capacity two to four years later. Read against who held power, the Book of Deals points to three main determinants of automaker investment:

Main takeaways from CAR's Book of Deals, 2009–2026: what actually drives automaker investment

- **What gets built:** laws passed under unified government shifted the mix between EV and non-EV projects.
- **When:** investment peaks have tracked UAW contract years more closely than presidential terms.
- **Where:** trade policy, set mostly by the executive branch, appeared to play a role in which country got the plants.

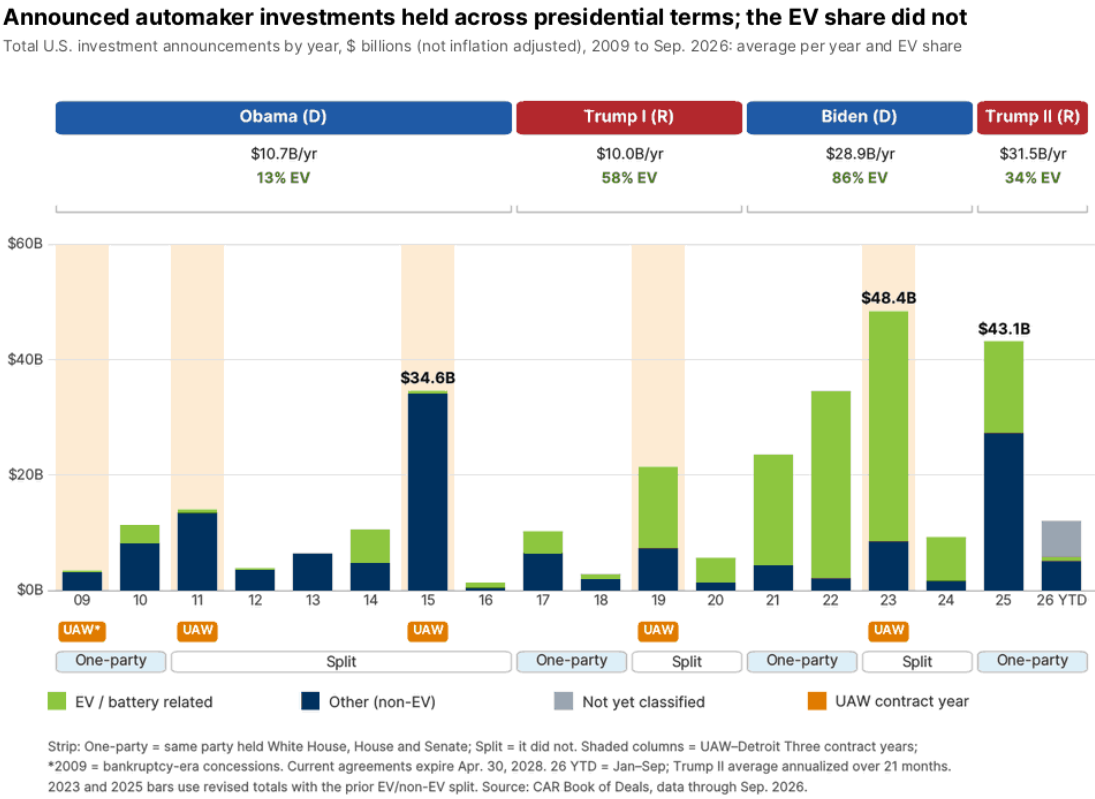

Figure 1. Total announced U.S. investment by automakers by year, EV and non-EV, with presidential term and party control, 2009–Sep. 2026, in nominal dollars (not adjusted for inflation). UAW contract years: 2009 (bankruptcy-era concessions), 2011, 2015, 2019, 2023; current agreements expire Apr. 30, 2028.[3, 13]

Announced investment hit its record in 2023, a UAW contract year under split government. It followed the Infrastructure Law and the Inflation Reduction Act (IRA), both passed in 2021–22. The 2025 rebound came after the tariff actions, and most of it went to non-EV projects. Trade policy, meanwhile, appears to be redrawing the regional map. Announced investment in Mexico fell from $21.0 billion in the Biden years to $1.6 billion so far in President Trump's second term, and Canada's fell from $19.0 billion to $1.9 billion.[3]

Historically, investment peaks have tracked the UAW's Detroit Three contracts more closely than presidential terms, since the contracts often bundle plant and product commitments. The four regular contract years after 2009 (2011, 2015, 2019 and 2023) account for 40% of all announced U.S. investment, averaging about $30 billion against about $13 billion in other years. Each of the last three was followed by a sharp drop: from $34.6 billion to $1.4 billion after 2015, $21.4 billion to $5.6 billion after 2019, and $48.4 billion to $9.1 billion after 2023. Swings have grown larger since. Totals went from $48.4 billion in 2023 to $9.1 billion in 2024, $43.1 billion in 2025 and $12.1 billion through September 2026, and two years, 2023 and 2025, account for more than half of everything announced since 2021. Averages by administration hide those swings.[3, 13]

Figure 2: The executive branch writes most auto policy

Most auto policy since 2009 has come from the White House and federal agencies. Laws have mostly passed when one party held the presidency and both chambers of Congress, as illustrated below in Figure 2.

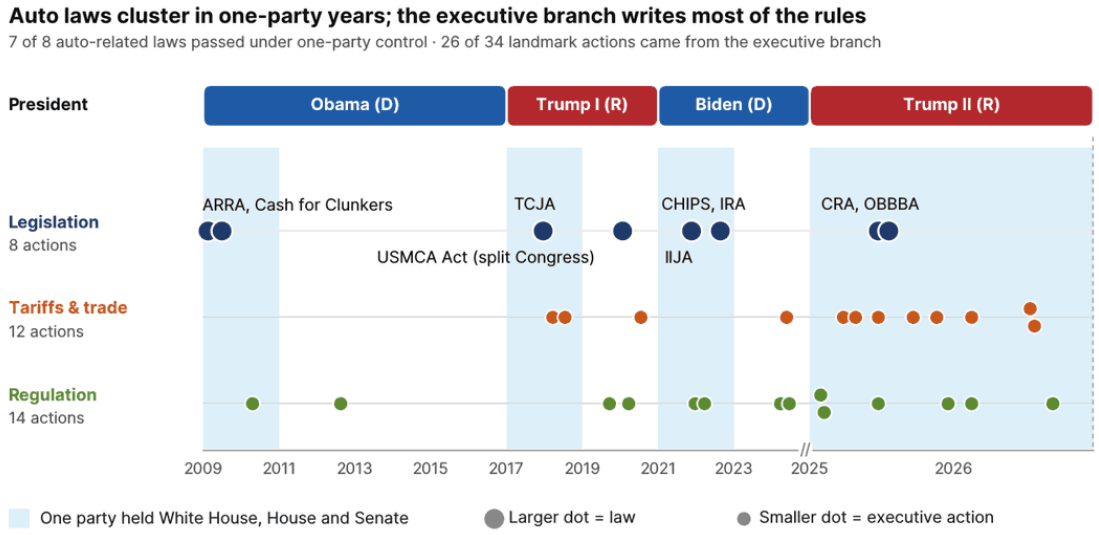

Figure 2. Landmark U.S. auto legislation, tariff and regulatory actions, with presidential term and party control, 2009–2026. 2025–26 drawn at expanded scale; dashed line marks the 120th Congress, seated Jan. 2027. UAW contract years: 2009 (bankruptcy-era concessions), 2011, 2015, 2019, 2023; current agreements expire Apr. 30, 2028.[4, 5, 13]

The timeline also shows a growing pattern of sharp policy reversals. Emissions standards changed direction three times in 16 years, and every reversal came from the executive branch or from a Congress controlled by the President's own party. Tariff and trade actions grew from four between 2018 and 2024 to eight in the 20 months after January 2025, and the Supreme Court struck down one of those tariff authorities within a year.[4] A new congressional majority matters mainly when its party also holds the

White House. A Congress that sits opposite the President can investigate, hold hearings and shape trade bills, but it cannot pass laws over a veto without votes from the other party.

Emissions policy and automaker strategy

Emissions law sets what automakers must build to comply, which makes it one of the biggest long-run variables in their strategy. The conventional reading is that each new administration flips emissions rules, and EV investment rises or falls with them. The Book of Deals only partly supports that. In President Trump's first term, regulators revoked California's waiver and cut CAFE stringency to 1.5% a year through the SAFE rules. Even so, electrification's share of announced U.S. investment rose, reaching 66% in 2019 and 76% in 2020.[3,5] Those rollbacks were regulations, challenged in court, and automakers kept building for California and global markets, treating them as temporary.

The 2025–26 reversal was different because much of it was enacted by Congress:

- The One Big Beautiful Bill Act ended the consumer EV credits on Sept. 30, 2025, and set CAFE penalties to $0.[4]
- Congressional Review Act resolutions voided California's waivers.[4]
- On the regulatory side, EPA rescinded the endangerment finding and the vehicle greenhouse gas standards. NHTSA then finalized a CAFE reset at about 34.9 mpg for model year 2031.[5,6]

Electrification's share of announced investment fell to 37% in 2025 and 14% in the first half of 2026. Non-EV investment reached $27.3 billion in 2025, its highest level since 2015.[3]

That difference matters. A rollback written into statute can be reversed only by a new law, and that law needs the President's signature or enough votes to override a veto. Restoring the EV credit, tougher fuel economy rules or CAFE fines would need Republican votes to survive a veto.[6] With the regulatory half of the rollback in court and the statutory half open to the next unified government, that uncertainty is likely one reason automakers are favoring flexible plants and committing capital in stages. The next big signal on emissions may come from the courts rather than from Congress (see Figure 3).

Figure 3: What to watch in 2027–2028

If the pattern in CAR's data since 2009 holds, auto investments would respond to trade decisions, emissions rulings and the 2028 UAW talks over the next two years before it responds to new legislation. Trade will steer where investment goes; emissions rules will steer what automakers build (Figure 3).

When	What	Why it matters for investment
Jan. 2027	120th Congress is seated	New majorities can hold hearings and shape trade bills, but reviving the EV credit or CAFE penalties would need enough votes to override a veto.[6]
Jan. 12, 2027	USTR deadline for comments and hearing requests ahead of the first USMCA annual review[7]	Automakers and suppliers get their first formal chance to argue over rules of origin before the review.
July 1, 2027	First USMCA annual review begins; reviews continue each year until 2036 unless all three countries agree to extend[8]	Open issues include a minimum share of American auto parts and tighter auto rules of origin.[9] Industry groups warn that yearly reviews could delay North American investment.[10]
2027–2028	D.C. Circuit challenges to the endangerment finding rescission, filed on two tracks: one by health and environmental groups, one by 24 states and several cities[11]	The ruling, and a likely Supreme Court appeal, will set the federal baseline for emissions rules after 2028.[12]
Ongoing	Section 232 tariffs on autos, parts, steel, aluminum and trucks, plus the Section 301 and 338 actions that replaced IEEPA tariffs[4]	These tariffs coincided with the 2025 shift of North American announcements almost entirely to the U.S. Watch whether they are kept as permanent tools or used as bargaining chips.
Apr. 30, 2028	UAW contracts with GM, Ford and Stellantis expire	Contract years have accounted for 40% of announced U.S. investment since 2009. Talks will overlap the presidential campaign, so new plant and product commitments may be locked in before the next administration's rules are known.[3,13]
Nov. 2028	Presidential election	Automakers commit to model year 2029–2031 programs before the next administration's rules are known. Figure 2 suggests the next round of landmark auto laws depends on whether one party wins the White House, House and Senate together.

Figure 3. Trade, emissions, labor and election milestones for automaker investment, 2027–2028. Source: CAR analysis.

Signposts to track in CAR's Book of Deals. Three readings will test this view in 2027. First, whether non-EV announcements keep outpacing EV announcements, as they did in 2025 and so far in 2026, and how many new announcements describe flexible plants built for more than one powertrain. Second, whether announcements in Mexico and Canada recover once the USMCA review settles the rules of origin. Third, whether announcements stay low in 2027 and build toward the 2028 UAW contract year, as in past cycles, after $12.1 billion through September 2026.[3]

Unknowns that could shift the outlook:

- **A bipartisan trade bill.** If the USMCA renegotiation needs implementing legislation, that bill could carry EV supply-chain or battery provisions with support from both parties.
- **State actions.** States can still fund EV purchase incentives and charging, though the 2025 votes voiding California's waivers limit what states can require of automakers.
- **Uncertainty itself.** The first nine months of 2026 brought only $12.1 billion in U.S. announcements, a slow pace that suggests automakers may be waiting for clarity before committing. Years between UAW contracts have often been slow too, so not all of the drop is policy. And because the 2028 contract year coincides with a presidential election, automakers may hold back commitments until the result is known, breaking the usual contract-year peak.[3]
- **A data caveat.** The Book of Deals records announcements, not money spent; delays are not removed while cancellations are. Some EV commitments made in 2022–2024 have since been delayed or cancelled, and GM, Ford, Stellantis and Honda have written down close to $70 billion on EV programs and capacity.[14]
- **Unified government after 2028.** The 2028 election, not the midterms, is the real fork in the road for auto law, so to speak, according to CAR's analysis. If one party wins the White House, House and Senate, Figure 2 suggests landmark auto laws could follow in 2029–2030, as they did in 2009, 2021–22 and 2025.

What's at stake: the consumer EV credit, the 45X battery manufacturing credit, CAFE penalties, California's authority to set its own vehicle standards, and whether today's tariffs stay as presidential proclamations or are written into statute. Those laws likely would set the early-2030s investment mix, i.e., EV %-share, and could be as hard to undo as the 2025 rollback. A split result should extend today's pattern, with the executive branch and the courts setting the rules.

Appendix: Landmark U.S. auto policy actions included with CAR analysis, 2009–2026

The 34 actions counted in Figure 2: eight laws, 12 tariff and trade actions and 14 regulatory actions.

Type	Date	Action	Notes	Ref.
Legislation	Feb. 2009	American Recovery and Reinvestment Act (ARRA)	$2.4 billion in EV battery and component grants. Unified government (D).	4
	June 2009	CARS Act ("Cash for Clunkers")	Trade-in rebates for more fuel-efficient vehicles. Unified government (D).	4
	Dec. 2017	Tax Cuts and Jobs Act	Corporate tax rate cut to 21%. Unified government (R).	4
	Jan. 2020	USMCA Implementation Act	Replaced NAFTA. The only landmark auto law passed under split government.	4
	Nov. 2021	Infrastructure Investment and Jobs Act (IIJA)	$7.5 billion for EV charging (NEVI). Unified government (D).	4
	Aug. 2022	CHIPS and Science Act; Inflation Reduction Act (IRA)	IRA set the 30D consumer EV credit and 45X manufacturing credit. Unified government (D).	4
	June 2025	Congressional Review Act resolutions	Voided California's waivers. Unified government (R).	4
	July 2025	One Big Beautiful Bill Act (OBBBA)	Ended consumer EV credits Sept. 30, 2025; set CAFE penalties to $0. Unified government (R).	4
Tariffs & trade	Mar. 2018	Section 232 steel and aluminum tariffs	25% on steel, 10% on aluminum.	4
	July 2018	Section 301 tariffs on China	25%, including vehicles and parts.	4
	July 2020	USMCA enters into force	Replaced NAFTA.	4
	May 2024	Section 301 increase on China-built EVs	Raised to 100%.	4
	Mar. 2025	IEEPA tariffs on Canada, Mexico and China	Voided by the Supreme Court in Feb. 2026.	4

Type	Date	Action	Notes	Ref.
	Apr. 2025	Section 232 auto tariffs	25% on autos; parts added from May 2025.	4
	June 2025	Section 232 steel and aluminum increase	Raised to 50%.	4
	June–Nov. 2025	Bilateral trade deals	UK 10% (quota); Japan, EU and Korea 15%.	4
	Nov. 2025	Section 232 truck tariffs	25% on medium- and heavy-duty trucks.	4
	Feb. 2026	Supreme Court voids IEEPA tariffs	Replaced by a Section 122 10% surcharge.	4
	July 2026	U.S. declines USMCA renewal	Annual reviews begin.	4, 9
	July 2026	Section 301 and 338 actions	Section 301 (10–12.5%) replaces Section 122; Section 338 applied to Canada.	4
Regulation	Apr. 2010	EPA/NHTSA GHG and CAFE standards, MY2012–16	First joint national standards.	5
	Aug. 2012	EPA/NHTSA standards, MY2017–25	54.5 mpg-equivalent goal.	5
	Sept. 2019	SAFE Rule Part One	Revoked California's waiver.	5
	Mar. 2020	SAFE Rule Part Two	Cut CAFE stringency to 1.5% a year.	5
	Dec. 2021	EPA GHG standards, MY2023–26	Tightened standards after SAFE.	5
	Mar. 2022	California waiver restored	Reversed SAFE Part One.	5
	Mar. 2024	EPA multipollutant standards, MY2027–32	Rescinded with the vehicle GHG standards in Feb. 2026.	5
	June 2024	NHTSA CAFE standards, MY2027–31	Superseded by the 2025–26 CAFE reset.	5
	Jan. 2025	Commerce connected-vehicle rule	Restricts Chinese and Russian vehicle technology.	4
	Jan. 2025	Executive order revokes 50% EV sales target	Revoked the 2021 goal of 50% EV sales by 2030.	4
	June 2025	NHTSA interpretive rule	CAFE baseline excludes EVs.	5

Type	Date	Action	Notes	Ref.
	Dec. 2025	NHTSA proposes CAFE reset	About 34.5 mpg for MY2031.	5
	Feb. 2026	EPA rescinds endangerment finding and vehicle GHG standards	Under challenge in the D.C. Circuit.	5, 11
	Sept. 2026	NHTSA finalizes CAFE reset	MY2022–31, about 34.9 mpg.	5

Table A1. Landmark U.S. auto legislation, tariff and trade, and regulatory actions, 2009–2026. Party control shown for laws. Ref. numbers refer to Sources. Source: CAR analysis.

Sources

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