

Foley Automotive Update 11 July 2023

Article By:

Ann Marie Uetz

Vanessa L. Miller

Nicholas J. Ellis

This update helps automotive suppliers inform their legal and operational decisions to help address challenges and opportunities.

Key Developments

- **Foley & Lardner's** second annual Manufacturing White Paper, [Top Legal Issues Facing the Manufacturing Sector in 2023](#), includes an [article](#) by Vanessa L. Miller and Nicholas J. Ellis which discusses new challenges and opportunities impacting supply chains as a result of electrified and connected vehicles.
- **U.S. new light-vehicle sales** reached 1.38 million units in June, representing an increase of 20% year-over-year and a SAAR of 15.8 million units, according to estimates from [GlobalData](#) (formerly LMC Automotive). The analysis also indicates **new light-vehicle inventory levels** reached approximately **1.9 million units** industrywide at the end of June.
- **Foley & Lardner** provided an [overview](#) of IP considerations pertaining to patent and copyright protection for autonomous vehicle software.
- [New analysis](#) from the National Renewable Energy Laboratory (NREL) estimates that a cumulative national capital investment of **\$53 billion to \$127 billion in charging infrastructure is required by 2030** to support anticipated EV adoption.
- **Over 300,000 battery electric (BEV) and plug-in hybrid electric (PHEV) vehicles** were sold in the U.S. in the first quarter of 2023, representing a market share of 8.6% and an increase of 56% from the same period in 2022, according to a [report](#) released on June 26 by Alliance for Automotive Innovation.
- Cox Automotive [estimates](#) the **average EV supply at U.S. dealerships rose to 92**

days in the second quarter, up from 36 days a year earlier.

- **Safety conditions at electric vehicle battery plants** are an area of growing interest for the **UAW**, according to a report in [Bloomberg](#).

OEMs/Suppliers

- [GM](#), [Ford](#), [Hyundai](#), and [Honda](#) increased **U.S. new-vehicle sales** by double digit percentages in the **first six months of 2023**, and sales for Stellantis and Toyota were [down by 1%](#) when compared to the same period in 2022.

Electric Vehicles and Low Emissions Technology

- **Tesla** delivered 466,140 BEVs worldwide in the [second quarter of 2023](#), reflecting an increase of over 80% from the [same period one year ago](#).
- China's **BYD** [delivered](#) 700,244 BEVs and PHEVs globally in the second quarter.
- By 2025, Volkswagen subsidiary **Electrify America** [will equip](#) its fast charging networks in the U.S. and Canada with the North American Charging Standard (NACS) port favored by Tesla.
- The **U.S. Department of Energy** [announced](#) a notice of intent to invest **\$2 billion** from the **Inflation Reduction Act** to fund cost-shared grants for the domestic production of hybrid, plug-in electric hybrid, fully-electric and fuel cell electric vehicles.
- **GM** [announced](#) its newly formed Technology Acceleration and Commercialization (TAC) group acquired Israel-based battery software startup **ALGOLiON Ltd.** for an undisclosed amount. The deal is expected to help "accelerate time-to-market of a cost-effective early hazard detection system."
- [The Detroit News](#) reports construction resumed on the module manufacturing building of the upcoming **Stellantis and LG Energy Solution joint venture plant** in **Windsor, Ontario**, following an agreement with the Canadian government for unspecified incentives.
- **Stellantis** [will invest](#) 5 million euros to acquire a nearly 20% stake in **Kuniko Ltd.** as part of an agreement which provides the automaker with **nickel sulphate** and **cobalt sulphate** produced from the company's Norway exploration project.

Automated, Autonomous or Connected Vehicles Technologies

- **Volkswagen** [will begin](#) autonomous ride-hailing tests in Austin, Texas this month

using ID Buzz electric vans equipped with technology from **Mobileye**.

Market Trends and Regulatory

- [Reuters](#) reports the **UAW** asked the Biden administration to revise [proposed emissions standards](#) for **model years 2027 and later light-duty and medium-duty vehicles** to "better reflect the feasibility of compliance so that the projected adoption of (zero emission vehicles) is set to feasible levels, increases stringency more gradually, and occurs over a greater period of time."
- U.S. Reps. Tim Walberg (R-MI) and Andrew Clyde (R-GA) recently introduced the [Choice in Automobile Retail Sales \(CARS\) Act](#), which is intended to prohibit the **Environmental Protection Agency** from implementing its proposed emission standards for **model years 2027 and later light-duty and medium-duty vehicles**.
- The **California Air Resources Board** (CARB) [reached an agreement](#) with leading **truck and engine manufacturers** that includes "flexibility for manufacturers to meet emissions requirements while still reaching the state's climate and emission reduction goals." As part of the **Clean Truck Partnership**, CARB will align with 2027 federal regulations for nitrogen oxide emissions, and manufacturers of medium- and heavy-duty vehicles committed to "meeting CARB's zero-emission and criteria pollutant regulations in the state regardless of any attempts by other entities to challenge California's authority."

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