ALLIANCE FOR AUTOMOTIVE INNOVATION

March 19, 2026

**BY EMAIL**

Representative Kathy Castor
Chair of Thriving Economy Project
Sustainable Energy & Environment Coalition

***Sustainable Energy & Environment Coalition RFI for Thriving Economy Project***

Representative Castor:

Thank you for leading the Thriving Economy Project at the Sustainable Energy & Environment Coalition (SEEC).[1] We appreciate the opportunity to provide you with our comments.

I write on behalf of Alliance for Automotive Innovation (Auto Innovators) representing the full auto industry value chain, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to ensure a healthy and competitive auto industry that supports U.S. economic and national security. Representing over 5 percent of the country's GDP, responsible for supporting nearly 11 million jobs, and driving $1.5 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.

While we do not have specific responses to the sections of the Request for Information (RFI), we wanted to provide the auto industry's perspective on a number of topics that may fall into scope. As our comments are somewhat broad, we would be happy to schedule time with you and/or staff at the SEEC Institute to go into further details.

## Light-Duty Vehicle Emissions Regulations

We have seen significant action from federal and state governments on vehicle emission regulations. We continue to support reasonable and achievable vehicle emissions standards. While a number of these issues will need to be dealt with in the courts, below are a few of our responses to some of the regulatory proposals. Please note that links to our full comments are included as footnotes.

[1] https://www.seecinstitute.org/thriving-economy-project

## 1. U.S. Environmental Protection Agency Endangerment Finding Revocation[2]

*Auto Innovators' member companies are focused on ensuring the health and competitiveness of the auto industry in the U.S. In furtherance of this goal, the association has long promoted a stable regulatory environment coordinated across the whole of government and reasonable, achievable standards that preserve consumer choice and support innovation. In addition, the association has supported continued progress in emissions reductions and improved fuel economy. We've also supported standards that capture the benefits of advanced, lower-carbon liquid fuels, especially for the gasoline-powered legacy vehicles that will remain in operation for years to come…*

*To date, Auto Innovators has advocated for the EPA to revise the existing MY 2027-2032 light and medium-duty vehicle GHG standards. The 2027 and later standards are simply not achievable in light of significant market, charging infrastructure, supply chain, affordability, and other challenges as well as recent policy changes enacted since they were finalized. Additionally, standards from preceding model years are creating significant near-term compliance challenges for many automakers…*

*Rather than revise the standards, however, the Proposed Rule considers rescinding all motor vehicle GHG emission standards, either through a rescission of the 2009 GHG endangerment finding ("Endangerment Finding") or separately under various legal and policy rationales. We understand that by eliminating the standards, this proposed approach would resolve concerns with the feasibility of MY 2027 and later GHG standards and would result in a single federal program for the regulation of GHG emissions and fuel economy under the statutorily-mandated Corporate Average Fuel Economy ("CAFE") program. However, as explained below, the GHG standards set in the Multi-Pollutant Rule still need to be revised to feasible levels to provide certainty for the industry…*

*To help address this reality, we strongly urge EPA to: (a) document in the record why the present standards are not appropriate; and (b) develop and implement revised GHG standards as an alternative or backstop to the Proposed Rule. Such a contingency plan will be critical if motor vehicle GHG standards are retained or reinstated in some way. Revised standards could be issued through an interim final rule or other rulemaking instrument pending a final action on the Proposed Rule. EPA should consider a rule that maintains the standard from a recent model year until such time that a full notice and comment rulemaking could be conducted to replace the standards with ones that produce reasonable and achievable reductions in GHG emissions and that can be reasonably achieved by manufacturers offering a broad range of vehicle powertrain technologies, including internal combustion engine vehicles...*

[2] https://www.autosinnovate.org/posts/agency-comments/energy-environment/2025-energy-environment/EPA%20on%20GHG%20Endangerment%20and%20Standards%20Rescission%209-22-2025

## 2. U.S. Department of Transportation National Highway Traffic Safety Administration Corporate Average Fuel Economy Proposal[3]

*Automakers and suppliers in the U.S. are increasingly being forced to navigate rapid and dramatic swings in vehicle emissions policy from one administration to the next. These policy changes increase costs and upset the long-term planning needed to drive an economically competitive U.S. automotive manufacturing industry. Design, development, and production cadences necessitate investments in technology and production capacity years in advance for automakers, and even earlier for suppliers who are disproportionally affected by stranded investments when regulatory standards abruptly change. Unachievable standards and severe swings in policy direction every few years put billions of dollars of capital investment at risk. Nevertheless, Auto Innovators is supportive of NHTSA's efforts to make pragmatic revisions to previously issued Corporate Average Fuel Economy (CAFE) standards to address their economic impracticability and the improper inclusion of plug-in electric vehicles underlying them…*

*In the longer term, automakers and suppliers need a stable regulatory environment with balanced, reasonably achievable standards that continue to improve fuel economy. This is the approach that will preserve consumer choice and keep the U.S. auto industry globally competitive…*

*Revisions to the previously issued standards are necessary to establish economically practicable standards…*

*Revisions to the previously issued CAFE standards are necessary to align the program with statutory requirements…*

*Auto Innovators supports revising the previously issued standards…*

## 3. California Air Resources Board Drive Forward Light-Duty Vehicle Program Workshop[4]

*First, we deeply appreciate CARB's desire to make any potential rule flexible and cost-effective . Flexibility is instrumental to companies' ability to choose the most innovative, consumer friendly, compliance pathway that best supports their ongoing development of new vehicle models. Affordability has been a major focus for Governor Newsom and the Legislature this year; this is also the case for the auto industry based on feedback from consumers. Therefore, cost-effectiveness is also a top priority for automakers to offer a wide range of vehicle technologies that are accessible to consumers of all backgrounds. We look*

[3] https://www.autosinnovate.org/posts/agency-comments/comments-to-nhtsa-on-cafe-nprm
[4] https://www.autosinnovate.org/posts/agency-comments/energy-environment/2025-energy-environment/AAI%20Comments%20CARB%20Drive%20Forward%20Workshop%2011.21.25.pdf

*forward to providing technical guidance that can protect affordability and consumer choice while advancing California's environmental goals…*

*Second, while we understand this rulemaking is early stage, we would like to better understand Drive Forward's overarching goals and timeline . Previous CARB regulations have had clear themes on specific outcomes, such as environmental goals and the development of the future car market. We would like to ensure Drive Forward operates similarly, which will help guide our feedback to CARB…*

## Automotive Supply Chains

As we have seen previously with the semiconductor shortage, disruptions to the automotive supply chain can have severe effects on the health of the U.S. economy. We have been engaged with the current and previous administrations on issues that could have an adverse effect on the auto industry. Below are a few examples of those engagements.

### 1. U.S. Department of Energy RFI on 2026 Energy Critical Materials Assessment[5]

*We support the Department's efforts to develop a 2026 Critical Materials Assessment. We also strongly support the Department's decision to consider vehicles as part of the assessment of end use technologies that contribute to energy conservation. Critical materials are increasingly important to the auto industry and to its ability to produce cutting-edge vehicle technologies, including energy conserving technologies. There is no doubt that access to a trusted and resilient supply of these materials is essential to maintaining the global competitiveness of the auto industry in the U.S. and to maintaining our nation's economic and national security. For this reason, we encourage the Department to pursue regular and structured engagement with the auto industry once the assessment is complete to ensure that it remains relevant and actionable…*

*In addition to critical minerals required for alternative powertrains, automotive technologies - including automated driving features, other artificial intelligence-enabled capabilities, and software defined vehicle architectures - are all likely to increase automotive energy needs over the next decade and place additional demands on the supply of critical materials…*

*Finally, we very much appreciate the Administration's efforts to establish the U.S. as a leading producer and processor of critical minerals. President Trump's March 20 Executive Order on*

[5] https://www.autosinnovate.org/posts/agency-comments/energy-environment/2025-energy-environment/DOE%20on%20Critical%20Materials%20Assessment%207-25-2025

*"Immediate Measures to Increase American Mineral Production" and April 24 Executive Order on "Unleashing America's Offshore Critical Minerals and Resources lay out a series of strong and overdue policies that, once fully implemented, will meaningfully increase critical mineral production in the U.S…*

*We commend the important actions that have already been taken to implement these orders, including the recent announcement between the Department of Defense and MP Materials to accelerate the build-out of an end-to-end U.S. rare earth magnet supply chain and reduce foreign dependency, and welcome federal support for additional critical minerals projects. As this important work moves forward, we urge the Department and the Administration to prioritize support for the mining, recycling, and processing of critical materials that are needed by the automotive industry. We also encourage the Administration to continue to pursue collaborative agreements and partnerships with allies, such as the Mineral Security Partnership, that are focused on securing resilient and diversified supply chains for critical minerals…*

## 2. Section 232 National Security Investigation of Imports of Processed Critical Minerals and Derivative Products[6]

*Auto Innovators is aligned with the Administration in seeking to ensure that the importation of processed critical minerals does not threaten our national security. We are committed to working with the Administration on the development and implementation of focused policies that can promote and maintain a robust and resilient supply of processed critical minerals required for U.S.-based automotive production…*

*Similar to other sectors, at present, the auto industry is heavily reliant on international sources for critical minerals. The U.S. imports more than half of its required supply of 31 of the 50 critical minerals included in the 2022 Final List of Critical Minerals produced by the United States Geological Survey. For 12 critical minerals, the U.S. is wholly reliant on international sources. While there have been efforts to increase the domestic supply of critical minerals, these efforts have not been sufficient to meet auto industry demand. For example, in March of 2025, Benchmark Minerals noted that the existing U.S. pipeline for domestically mined nickel will meet just 11% of U.S. automotive demand in 2030 on its current trajectory…*

*In some cases, a sufficient domestic supply of critical minerals is not possible because the minerals are not geographically located in the U.S. For instance, the U.S. has less than 1*

[66] https://www.autosinnovate.org/posts/agency-comments/stpc/safety/2025-safety/Auto%20Innovators%20BIS%20Critical%20Minerals%20Investigation%20FINAL%205-16-2025

*percent of the world's nickel, cobalt, and natural graphite and only 1.5 percent of the world's manganese. This means that, even if these domestic resources were completely tapped, the U.S. would still be reliant on international sources to meet full automotive production needs. Auto companies have been actively investing in strategic partnerships and alternative sourcing strategies that mitigate dependence on any single country or region. To support these efforts, the U.S. should be focused on developing and leveraging strong relationships and partnerships with allied nations, including through critical minerals trading agreements, to ensure a secure and reliable source of these critical minerals.*

*It is essential that the Administration also target resources and policies to bolstering the processing of critical minerals in the U.S. Processing is a critical step in the supply chain, converting raw minerals into materials that are functional and suitable for use in advanced technologies. Unfortunately, due to a decades-long critical minerals industrial strategy, China currently controls 80% of the world's critical minerals processing capability and nearly 90% of the processing capability for rare earth elements. This includes the processing of minerals, such as cobalt and lithium, that are mined elsewhere in the world. As a result, it is estimated that China exerts some level of control over 65 to 90 percent of the global supply of key metals. By building a stronger domestic processing capability, the U.S. can reduce its dependence on China…*

Again, we very much appreciate the opportunity to provide some examples of policy positions that the auto industry has recently taken. We welcome the opportunity to work with SEEC on the Thriving Economy Project to identify policies that support a sustainable automotive industry.

Sincerely,

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