ALLIANCE FOR AUTOMOTIVE INNOVATION

September 8, 2025

Gregory D. Cote
Acting General Counsel
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Docket No. DOT-OST-2025-0468

Dear Mr. Cote:

Alliance for Automotive Innovation (Auto Innovators)[1] strongly supports the Department of Transportation's (DOT) issuance of this Request for Information (RFI) to ensure the public's perspectives and ideas are considered in preparation for the next surface transportation reauthorization bill. Auto Innovators offers the ideas throughout this document in an effort to inform legislative priorities and ensure future programs focus on delivering a safe and efficient surface transportation system without unnecessary or burdensome requirements. These suggestions,[2] organized into policy and funding recommendations that span several DOT modal administrations, can support the modernization of America's roadways by enhancing safety, streamlining Federal processes, promoting economic growth, and strengthening partnerships to improve transportation outcomes.

POLICY REQUESTS

1. State Discretionary HOV Lane Access for Alternative Fuel Vehicles

Relevant Modal Administration: FHWA

Existing federal law authorizes state or local governments to, at their discretion, allow alternative fuel vehicles to use HOV lanes – absent the number of occupants that otherwise is required. That authority, which is set to expire on September 30, 2025, is currently used by a number of states: Arizona, California, Colorado, Florida, Georgia, Hawaii, Maryland, New Jersey, New York, North Carolina, Tennessee, Utah,

[1] Auto Innovators represents the full auto industry, 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 11 million jobs, and driving $1.5 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.

[2] Items are enumerated for reference only and do not imply related priority or significance.

and Virginia. We propose that this authority be extended through the end of the next surface transportation reauthorization.

2. **Electric Vehicle User Contribution to Highway Trust Fund**
   Relevant Modal Administration: OST

   The Highway Trust Fund (HTF), as constructed, can no longer adequately fund our Surface Transportation Program. We propose repealing all the current Federal taxes on fuel and trucks that are dedicated to the HTF and replacing them with an annual fee based upon the curb or registered weight of the vehicle. The annual weight-based fee would be collected by the states as part of their vehicle registration processes and remitted to the HTF. We recommend a graduated scale for vehicles beginning with motorcycles and escalating up to the heaviest trucks and buses. We also recommend that the fees be set to maintain the current percentages of revenue into the HTF from, respectively, commercial vehicles and passenger vehicles where, today, passenger vehicles pay 55% of the fees and commercial vehicles (those over 8,500 lbs.) pay 45% of the fees. Finally, we propose maintaining the current 80/20 split between highways and transit.

3. **AV Infrastructure**
   Relevant Modal Administration: FHWA

   Roadway infrastructure can help facilitate the deployment of autonomous vehicle technology. For example, AV performance will benefit from consistent and well-maintained lane markings, signage, and traffic control devices. In December of 2023, the Manual of Uniform Traffic Control Devices (MUTCD) was updated to include items that will support and facilitate AV deployment. States should be encouraged and incentivized to update their infrastructure consistent with these AV-related MUTCD updates. To that end, we recommend that a new grant program be created or eligibility for existing grant programs be expanded for infrastructure projects consistent with such updates.

4. **Establish USDOT Office of Automation**
   Relevant Modal Administration: OST

   Various modes within the DOT are working on automation. To avoid duplication of resources and expertise and to ensure a level of coordination and a harmonized approach across the Department, we recommend that a dedicated office be established within the Office of the Secretary to focus on and coordinate the Department's response to automation across the transportation sector.

5. **<u>Traffic Law Alignment</u>**

Relevant Modal Administration: FHWA

Variation in state traffic laws creates challenges for developers of autonomous vehicle (AV) technology. AV developers must translate each state's traffic laws into the systems' programming and capture even the slightest differences, and then continuously monitor state laws for any updates or changes. We recommend the creation of a regional innovation challenge to encourage states to harmonize traffic laws and regulations, particularly those that apply to the operation of AVs on public roads. Uniformity of state traffic laws and regulations would provide benefits not only to AV developers, but also to any road user who crosses state lines. At a minimum, we recommend the creation of a single resource of state traffic laws and real-time updates to those laws that is accessible to AV developers.

6. **<u>Gross Vehicle Weight for Automobile Transporters</u>**

Relevant Modal Administrations: FHWA & OST

Since 1975, federal law has set the maximum gross vehicle weight for commercial motor vehicles on Interstate highways at 80,000 pounds. Vehicles are generally heavier than they have been in the past. This is, in part, because consumer preferences have shifted to trucks and SUVs over sedans and compact vehicles and because electric vehicles and hybrids are heavier than their gas-powered counterparts. As a result, under current gross weight limits for trucks, automobile transporters are increasingly unable to transport as many vehicles as they were in prior years. We recommend that the maximum gross vehicle weight limit for automobile transporters be set at 88,000 pounds.

7. **<u>Preventing Roadside and Work Zone Deaths Act</u>**[3]

Relevant Modal Administrations: FHWA and NHTSA

Roadside deaths involving disabled vehicles are preventable tragedies that warrant increased research attention and data collection. The bipartisan Preventing Roadside and Work Zone Deaths Act seeks to require DOT to collect, study, and make public accurate data on disabled roadside vehicle and work zone crashes. The Department would also be required to develop a strategic plan to reduce these incidents and exercise existing Infrastructure Investment and Jobs Act (IIJA) funding at the city and state level to provide the data required to develop and implement programs that prevent these crashes. We are in support of the passage of this bill.

[3] https://www.congress.gov/bill/119th-congress/house-bill/2992/text

8. NHTSA Reform

Relevant Modal Administration: NHTSA

The National Highway Traffic Safety Administration (NHTSA) is an agency that, in many ways, is not working as intended, leaving automotive safety without a governmental and regulatory roadmap. NHTSA works best when it is constructively engaged with external stakeholders, provided a clear research agenda to inform potential regulations, created regulatory frameworks that enabled innovation, and promoted the introduction of new safety technology. In recent years, NHTSA's relationship with industry and the safety community has fractured, leaving consumers without critical safety information that they need and stymying development of innovative and life-saving technologies. In its understandable frustration, Congress has reacted by layering additional regulatory requirements on NHTSA, slowing the agency down further.

It is past time to address key shortcomings at NHTSA so it is better positioned to keep pace with the 21st Century auto industry. If not, the U.S. risks ceding the future of automotive safety technologies to China and other global competitors.

Fortunately, several key reforms will better position NHTSA to keep pace with the industry's evolution and innovation. These include:

- *A clear research agenda*
    - NHTSA's Annual Modal Research Plans are not detailed or expansive enough to serve as useful tools for ensuring awareness and alignment amongst industry, stakeholders and the agency. Critically, they are missing a necessary connection to the agency's rulemaking plans and priorities. Aligning research and rulemaking priorities would accelerate investments by industry into innovative safety technologies and allow for improved cross pollination of ideas. It potentially reduces the need for regulation and supports faster market penetration of new safety technologies. We propose that NHTSA be required to improve and enhance their plans as well as integrate those enhanced research plans with its rulemaking priorities, including those that relate to automated vehicles (AVs). This would better communicate to the public how the agency intends to use its research findings to develop or modernize vehicle safety standards.
- *A revitalized NCAP program*
    - An effective and consistently maintained New Car Assessment Program (NCAP) can help accelerate the development and deployment of advanced safety technologies, provide greater consumer awareness on key aspects of vehicle safety performance, and provide data to NHTSA to inform future

rulemaking. NCAP should be a key component of the industry's product planning strategy, serving as an integral part of a roadmap that challenges and incentivizes automakers to innovate and develop new safety technologies. We propose that NCAP be significantly reformed by:

(a) creating a new NCAP mode within NHTSA with a separate Associate Administrator to oversee Program Administration;
(b) establishing a federal advisory committee for NCAP to provide recommendations to NHTSA on future improvements to the program;
(c) requiring the development of an implementation roadmap that covers a term of ten years (with five-year mid-term and five-year long-term components) in consultation with the new federal advisory committee that is created to make recommendations about which technologies should be included in NCAP;
(d) allowing automakers to self-report results with the potential for NHTSA to audit those results to speed up and reduce the burdens associated with the rating process; and
(e) focusing program resources on consumer education to highlight the benefits of new and emerging safety technologies.

- *An aligned approach to rulemaking*
    - The rulemaking process at NHTSA is inefficient. Many of the current safety standards are outdated, overly prescriptive, or simply misaligned with modern vehicle design, safety data, and international best practices. In addition, NHTSA consistently demonstrates a lack of thorough and thoughtful consideration of significant technical concerns communicated by the public and as required by the Administrative Procedures Act (APA). Rather than enabling progress, NHTSA's own actions increasingly result in regulatory roadblocks that stifle innovation, delay deployment of life-saving technologies, and erode U.S. leadership in the global auto market, while prices for new cars climb higher. NHTSA should be directed to periodically publish a rulemaking roadmap that aligns with NCAP, consistent with the provisions above. If NHTSA fails to produce the required rulemaking roadmap, it should be required to report to Congress on the reasons for its failure to do so.
    - Several current examples highlight the imperative to strengthen vehicle safety by modernizing the tools NHTSA uses to regulate it

and to create a system that encourages innovation while preserving core safety outcomes. These include:

(a) Automatic Emergency Braking (AEB): Under the Biden Administration, NHTSA finalized a rule on AEB that exceeded the intent of the related Congressional mandate and may ultimately hinder, rather than help, motor vehicle safety. Automakers support AEB technology. However, the current AEB rule raises substantive technical and legal concerns and is a case study in how well-intentioned regulation can go awry. NHTSA should modify the AEB rule to address its current shortcomings.

(b) Lighting Standards: U.S. regulations continue to restrict the use of adaptive driving beam (ADB) headlights and other advanced lighting systems that are already in wide use across Europe and Asia. Broadly, federal lighting standards have not been updated since the 1970s, and they are due for modernization. Newer technologies improve nighttime visibility, reduce glare, and enhance pedestrian detection, yet U.S. rules effectively prevent automakers from deploying them here. NHTSA should update the lighting standards to reflect the current state of lighting innovation. Specifically, NHTSA should be required to review all existing federal lighting standards and eliminate or revise outdated rules, as necessary, within 18 months, and revise the ADB final rule to require adoption of and harmonization with existing international standards. As part of this review and update to federal lighting standards, NHTSA should permit (but not require) the use of Automated Driving System (ADS) marker lamps that would be used to indicate to other road users, law enforcement, and the public that a vehicle's ADS is engaged and responsible for the dynamic driving task. The goal of these ADS marker lamps is to raise awareness of the operational status of an ADS-equipped vehicle (SAE Levels 3 through 5) to other road users, including law enforcement. SAE has recommended the use of turquoise marker lamps to indicate the ADS is engaged, and both Nevada and California have authorized their use for permitted/selected ADS systems. Many states prohibit the use of auxiliary lamps to include ADS indicator lamps, and these state lighting restrictions present an obstacle to equipping ADS-equipped vehicles with such lamps.

(c) Bumper Standards: This legacy requirement, which is intended to reduce physical damage to the front and rear ends of a vehicle from low-speed collisions, diverts engineering resources and creates trade-offs that do not reflect today's technology and risk landscapes. The current requirements hinder design advancements that could favor pedestrian protection over vehicle stiffness and prevent the optimal placement of sensing and perception technologies that support crash avoidance features. NHTSA should update or repeal the bumper standards to address these concerns. NHTSA should specifically complete the report on potential updates to bumper standards required under Section 24214 of the Infrastructure Investment and Jobs Act and initiate a rulemaking to implement the report's recommendations.

- Each of these examples illustrates a broader truth: regulatory inertia has consequences. When rules dismiss viable technical alternatives or remain frozen in time, safety improvements are delayed, competitive advantages are lost, and innovation slows. Modernizing Federal Motor Vehicle Safety Standards (FMVSS), therefore, is not just a technical necessity; it is a strategic imperative. It will:
  (a) facilitate the faster deployment of advanced driver-assistance systems (ADAS) and other safety technologies;
  (b) provide greater flexibility for automakers to innovate while meeting real-world safety goals;
  (c) better align U.S. standards with international regulatory frameworks, reducing compliance burdens and enhancing global competitiveness; and
  (d) preserve public confidence by ensuring that our regulatory system remains data-driven, transparent, and up to date.

9. NHTSA Grant Reform

Relevant Modal Administration: NHTSA

NHTSA grants are a key tool for states as they seek to change driver behavior and improve roadway safety. However, states often have difficulty qualifying for grants under the National Priority Safety Programs in Section 405, which are – among other things – targeted to occupant protection and countermeasures to combat impaired and drunken driving. Section 402 (Highway Safety Programs) is significantly broader in scope and more accessible to states. We propose combining these two grant programs into a single grant program so that states can best focus on a safe systems approach within their communities. In addition, requiring a portion of funds

to be dedicated to recall completion work and expanding eligibility for the State Process for Informing Consumers of Recalls grant program (under Section 403) to all states with no state match requirement can help improve recall completion rates. Finally, consumer education on the use of advanced driver technologies should be prioritized by setting aside a portion of funds for the integration of advanced driver assistance systems and automated driving systems into driver education curricula.

10. AV Regulatory Framework

Relevant Modal Administration: NHTSA

If the U.S. wants to remain at the forefront of automotive innovation, it cannot afford to fall behind global competitors in the development of advanced safety technologies and, in particular, automated vehicles (AVs). As we have witnessed in the market for electric vehicles, our global competitors are moving aggressively to shape the future of the automotive industry. The market for these technologies will mature – and the nations that lead in developing that market will define supply chains and shape the future of the technology. NHTSA plays an important role in sustaining U.S. leadership in the development of AV technologies, including the need for a single federal standard for this lifesaving technology. We propose that NHTSA update its regulations to address the design, construction, and performance of AVs and their safe operation and current statutory and regulatory barriers stemming from "make inoperative" and manual controls requirements that limit the development and deployment of dual-use AVs and non-conventionally designed level 4 and level 5 vehicles.

11. FMVSS Exemption Reform

Relevant Modal Administration: NHTSA

The existing exemption process is burdensome and lacks transparency. We propose that the exemption process be reformed by: (a) extending the exemption period to at least 5 years to better align with vehicle lifecycles; (b) increasing vehicle caps to 100,000 units per year; (c) directing NHTSA to adopt alternative proposals for manufacturers to demonstrate safety equivalence; and (d) requiring exemption requests to be processed by NHTSA within one year of submission.

12. Defect Clarification

Relevant Modal Administration: NHTSA

NHTSA has recently interpreted existing statutory language to mandate a vehicle recall for all automotive manufacturers with a part if an equipment recall for that part has been submitted to the agency by the supplier. This is a novel and problematic interpretation because the need for a vehicle recall in this instance may differ from manufacturer to manufacturer. A piece of original equipment may not

always create the same problem or require the same treatment for every manufacturer. A vehicle manufacturer must be able to assess how a piece of original equipment interacts with the rest of its vehicle system before any recall related to that equipment. We propose that the existing statutory language be amended to clarify Congressional intent on this matter.

FUNDING REQUESTS:

1. **National Electric Vehicle Infrastructure Formula**

   Relevant Modal Administration: FHWA

   The IIJA established the National Electric Vehicle Infrastructure Formula Program to provide funding to states to deploy electric vehicle charging infrastructure. Funding for the program was authorized through FY 2026. We propose that funding for the National Electric Vehicle Infrastructure Formula Program be extended through this next reauthorization period. We also propose that the program be reformed to be more efficient and effective. Reforms that could be implemented include: (a) streamlining administrative processes (including providing flexibility for states to differ from the minimum standards); (b) simplifying application formats to expedite the distribution of state funding; (c) making the connector requirement technology agnostic to enable Combined Charging System (CCS) and North American Charging Standard (SAE J3400) connectors to qualify for funding; and (d) prioritizing high-power charging of up to 350 kW.

2. **V2X Infrastructure**

   Relevant Modal Administration: FHWA

   Vehicle-to-everything (V2X) technology facilities the communication of data between vehicles and roadway infrastructure, including road signs and traffic lights. This technology can provide drivers with real-time advisories about road conditions, construction zones, crashes, or other hazards. It can also support transportation planners in improving traffic flow by setting variable speed limits or adjusting traffic signal phase and timing. Funding for V2X-enabled infrastructure should be prioritized within existing transportation funding resources. A source of dedicated federal funding for V2X-enabled infrastructure should also be considered.

3. **NCAP**

   Relevant Modal Administration: NHTSA

   A dedicated budget line should be provided for NCAP to ensure its viability and usefulness.

4. <u>AV Technologies</u>

Relevant Modal Administration: NHTSA

Additional dedicated funding should be provided for research, rulemaking, and oversight of automated vehicle technology.

Auto Innovators thanks the DOT for the issuance of this RFI. We are happy to answer any specific questions that you may have related to these recommendations, and we look forward to working with you to ensure the safety, competitiveness and efficiency of the U.S. automotive sector. We stand ready to work with the agency to assist in identifying further priorities for consideration for the next surface transportation reauthorization bill that can help fulfill the Department's important mission to deliver the world's leading transportation system, serving the American people and economy through the safe and efficient movement of people and goods.

Sincerely,

Hilary M. Cain
Senior Vice President of Policy