Comments of the

Motor & Equipment Manufacturers Association

to the

U.S. Department of Transportation, Office of the Secretary

RE: Non-Traditional and Emerging Transportation Technology (NETT) Council; Request for Comment

Docket No. DOT–OST–2022–0016

April 14, 2022

Introduction

The Motor & Equipment Manufacturers Association (MEMA)[1] submits these comments to the U.S. Department of Transportation (DOT) on its request for public input on projects, issues, or topics that should be considered by the Non-Traditional and Emerging Transportation Technology (NETT) Council. MEMA shares and supports DOT's goals to seek ways to coordinate and engage stakeholders on non-traditional and emerging transportation technologies. The input from MEMA will focus on a few of the questions posed in the DOT's *Federal Register* notice.[2]

About MEMA

MEMA is the leading trade national trade association representing motor vehicle parts manufacturers, which is the largest sector of manufacturing jobs in the United States.[3] Vehicle suppliers develop innovative technologies and manufacture original equipment (OE) and aftermarket components and systems for use in passenger cars and commercial trucks.

Suppliers' Role in Developing Innovative Technologies

Across the entire range of new vehicle innovation – from automated driving systems to zero emission technologies – vehicle suppliers are leading the way. Vehicle suppliers conceive, design, and manufacture the OE components, systems, and technologies that make up more than 77 percent of the value in new vehicles. A typical vehicle can include 30,000 components and subsystems, the majority of which are developed through vehicle parts manufacturers. Additionally, vehicle suppliers manufacture and remanufacture a multitude of aftermarket parts and materials for vehicle service, maintenance, and repair. Overall, vehicle supplier innovation provides a multitude of technologies and a wide range of products to improve vehicle safety, emissions, efficiency, performance, and service life. The technology development and innovation of vehicle suppliers enables the U.S. vehicle industry to be globally competitive.

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[1] MEMA represents over 900 member companies through its four divisions: Automotive Aftermarket Suppliers Association (AASA); Heavy Duty Manufacturers Association (HDMA); MERA - The Association for Sustainable Manufacturing; and Original Equipment Suppliers Association (OESA).

[2] 87 Fed. Reg. at 13368.

[3] Vehicle suppliers directly employ 907,000 people and operate in all 50 states. Direct, indirect, and induced vehicle supplier employment accounts for over 4.8 million U.S. jobs and contributes 2.5 percent to U.S. GDP. Source: U.S. Labor and Economic Impact of Vehicle Supplier Industry, MEMA and IHS Markit. February 2021.

MEMA shares and supports the DOT's overarching goal to make the transportation system safer for all people and to work toward eliminating transportation-related fatalities and injuries. Vehicle suppliers are continuously innovating, enhancing, and evolving an array of advanced safety technologies that are designed to prevent or mitigate vehicle crashes, to protect vehicle occupants and non-occupants (i.e., vulnerable road users), and to provide enhanced mobility for all citizens. These technologies include a suite of advanced driver assistance systems (ADAS), automated driving systems (ADS) for automated vehicles (AVs), connected vehicle technologies (V2X), and integrated active/passive safety systems and components.

Vehicle suppliers continuously anticipate the needs of their vehicle manufacturer customers, take on the initial investments, and commit significant resources in developing multiple technology solutions to assist their OEM customers meet a broad spectrum of domestic and global regulations and standards. As such, vehicle suppliers take on substantial associated risks by driving a wide array of technology advancements, innovative materials, and system solutions that are needed to improve vehicle safety and efficiency. The roll-out of these technologies requires substantial lead-time, long-term planning, and major economic resources. As such, MEMA supports policies and frameworks that enable and enhance U.S. manufacturing and consumer adoption of technologies, which help U.S. vehicle suppliers remain competitive in a global economy.

MEMA's Responses to the DOT Questions

MEMA appreciates the opportunity to provide comments per Department's request for input on the NETT Council. MEMA will address some of the questions presented in the DOT notice that are excerpted below and emphasized in italics.

> *1. How can the NETT Council more effectively reflect inputs from a broad range of transportation stakeholders to assess the positive and negative consequences of transportation innovation?*

Vehicle suppliers are key developers of innovative technology and components for their customers, which include traditional vehicle manufacturers, non-traditional vehicle technology companies (such as "alternative" automakers), and other vehicle suppliers. Due to the increasing complexity of vehicles and demand for advanced technology, often these customers are more reliant on vehicle suppliers to develop and produce entire systems for them. Moreover, aftermarket vehicle suppliers manufacture vehicle parts, components, tools, and technologies to service and repair over 282 million vehicles on U.S. roadways. Thus, aftermarket vehicle parts manufacturers and remanufacturers are also key stakeholders as they develop solutions to maintain these vehicle technologies during the vehicle's service life.

Given the critical role vehicle suppliers play in emerging technologies, MEMA strongly urges DOT to ensure that the NETT Council includes MEMA and vehicle suppliers among the stakeholders consulted when assessing transportation innovation.

> *8. What emerging innovations face gaps in focus, support, and/or regulation under DOT's existing regulatory frameworks, and should be reviewed by the NETT Council?*

Certainly, DOT and its agencies have long recognized that rapidly evolving technology is a challenge for the current, traditional federal system's architecture. Federal policies, foundational regulations, and other voluntary mechanisms are available and should be utilized to support innovation and encourage deployment of advanced vehicle technologies. Specifically, MEMA addressed these types of issues in our response to the National Highway Traffic Safety Administration's (NHTSA) request for comment on a framework for automated driving safety. In that response, MEMA indicated that there are a range of approaches DOT can take (e.g., guidelines,

recommendations, and consumer information) to allow room for innovation and safe deployment, while also providing industry with a plan and more certainty.[4] In the context of this notice, MEMA encourages DOT to evaluate these approaches and flexibilities to bridge gaps between the voluntary and the mandatory. Having these types of policy pathways offer more certainty and encourage ongoing product development and investments in the United States. Implementing a variety of strategies is necessary for the U.S. industry to remain a global leader.

An example of a lingering issue impacting vehicle suppliers is the stalled notice of proposed rulemaking titled "Expansion of Temporary Exemption Program to Domestic Manufacturers for Research, Demonstrations, and Other Purposes." A critical step in the technology development process is the ability for companies to verify and validate the technology through on-road testing. Unfortunately, the current regulatory structure presents considerable challenges for entities other than traditional vehicle manufacturers to be able to test on public roads.[5] This type of disparity highlights the need for modern approaches and reducing barriers for vehicle suppliers, which, as noted, are key innovators and developers of these technologies – in some cases designing and building the entire automated driving system for a vehicle manufacturer. In August 2020, MEMA noted in a joint letter with the Alliance for Automotive Innovation that industry supports opportunities for qualified technology developers, like vehicle suppliers, to safely test their systems in vehicles on public roads, subject to NHTSA oversight and with appropriate parameters. Therefore, MEMA urged NHTSA to issue its proposed rule as one step forward to reduce these hurdles. Although this action remains on the agency's regulatory agenda, this is just one of several examples where delays in policymaking and rulemaking can negatively impede vehicle suppliers' research, development, and testing validation activities, which, in turn, impacts technology deployment and investment decisions.

An example where other DOT agencies are preparing for emerging technologies is the Federal Highway Administration's (FHWA) 2021 proposal to update its Manual on Uniform Traffic Control Devices to include a new section on automated vehicles. These systems are complex and rely, in part, on well-marked roadways and signs to inform the system about the driving environment. Improving infrastructure elements like traffic control devices will enhance effectiveness and ensure consistency. This kind of policy certainty enables technology developers, like vehicle suppliers, to develop products that can operate at their full design potential. MEMA encourages DOT and its agencies to evaluate opportunities to collaborate and work together to find common goals and objectives that facilitate policy pathways to encourage the ongoing innovation and safe deployment of a range of technologies that can enhance our nation's transportation and mobility ecosystem.

> *9. What emerging transportation technologies should the NETT Council evaluate for their potential to contribute to ensuring American workers and domestic sourcing and supply chains are strengthened rather than weakened through transportation innovation, including advancing activities under the President's Made in America Executive Order 14005, dated January 25, 2021, and the President's Executive Order 14017 on America's Supply Chains, dated February 24, 2021?*

Throughout last year, MEMA submitted to various agencies multiple comments related to supply chains. For example, MEMA provided feedback to DOT on "America's Supply Chains and the Transportation Industrial Base"[6] and to the Department of Commerce on "Incentives, Infrastructure, and Research and Development Needs to Support a Strong Domestic Semiconductor Industry."[7]

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[4] NHTSA-2020-0106-0769, Apr. 27, 2021.
[5] Section 30112(b)(10) of Title 49, U.S.C.
[6] DOT-OST-2021-0106-0364, Oct. 19, 2021.
[7] DOC-2021-0010-0097, Mar. 25, 2022.

These comments, among our other related submissions, illustrate the complexities and sensitivities of the domestic and global supply chains for the vehicle supplier industry. MEMA encourages the DOT to review that comment submission for more details about how supply chain disruptions impact technology development and deployment of technologies.

10. What other pressing issues, challenges, and opportunities for transportation innovation should be addressed through the NETT Council?

With the increasing complexity of vehicles and rapidly evolving technologies, MEMA encourages the NETT Council to consider how the actions of other federal agency(ies) may impact the Department's general policy endeavors and/or specific rulemakings and present both challenges and opportunities. An example a challenge and how rulemaking delays can impact the actions of other agencies was related to the spectrum bandwidth dedicated to intelligent transportation system (ITS) communications. Unfortunately, the DOT/NHTSA multi-year, indefinite delay of its vehicle-to-vehicle (V2V) communications rule created significant regulatory uncertainty for vehicle manufacturers and suppliers. As a result, planned deployments were paused in anticipation of finalizing the regulatory requirements. During those interim years in the absence of a final rule, the Federal Communications Commission (FCC) continued with its proceedings to evaluate the 5.9 GHz band for sharing with unlicensed devices. Part of the FCC's arguments focused on the position that the automotive industry was not actively implementing connected vehicle technologies and therefore not utilizing the spectrum – but, as noted above, much of this delay was due to the uncertainty around the potential DOT regulation. Naturally, FCC's actions created even more instability and uncertainty, despite the overwhelming opposition to the Commission's approach, which is clearly reflected by the public comments in the FCC docket's proceedings, including DOT's own assessment that the full spectrum is needed for safety-of-life applications.[8]

Overall, MEMA encourages the NETT Council to find ways the DOT can improve and enhance coordination on policies, research, and rulemakings that may be directly or indirectly impacted by the actions of not only other modal agencies within the Department, but also other executive branch departments and independent agencies. Improved harmonization, dialogue, and collaboration are critical to ensuring that certain actions do not negate one another, have other unintended consequences for, or create unnecessary burdens on government and industry stakeholders.

Conclusion

Demonstrable progress towards updated, modern policies that address the high numbers of vehicle-related fatalities and injuries in the U.S. is critical. DOT must prioritize efforts to enable the numerous benefits of a range of technologies, including advancing transportation safety, environmental sustainability, increasing access to mobility for underserved communities, seniors, and people with disabilities, and improving the efficiency of freight movement and our logistics system. Specifically, MEMA supports federal approaches that foster the safe deployment of those technologies that can help drive enhanced mobility. Moreover, these policies can help ensure that our country can fully realize its innovation leadership potential and remain globally competitive. For more information, please contact Leigh Merino, vice president of regulatory affairs at lmerino@mema.org.

[8] MEMA has long advocated that the 5.9 GHz spectrum should be preserved as intended and maintained in its entirety. The FCC's actions reducing the spectrum availability to 30 MHz for ITS will restrict the number and breadth of safety applications that can safely utilize that dedicated spectrum without fear of harmful interference. The overwhelming majority of commenters responding to the initial NPRM established that both existing and planned additional ITS applications would require the full 75 MHz of spectrum capacity.