#### **Motor & Equipment Manufacturers Association**

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July 22, 2021

The Honorable Pete Buttigieg Secretary U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Re: Request for Information on Transportation Equity Data Docket No. DOT-OST-2021-0056

**Dear Secretary Buttigieg:** 

The Motor & Equipment Manufacturers Association (MEMA) represents more than 1,000 vehicle suppliers that develop innovative technologies and manufacture and remanufacture original equipment (OE) and aftermarket components and systems for use in passenger cars and commercial trucks. This industry operates in all 50 states, directly employs almost one million Americans, and is the largest sector of manufacturing jobs in the United States. Direct, indirect, and induced vehicle suppliers' employment accounts for over 4.8 million U.S. jobs and contributes 2.5 percent to U.S. GDP. The average U.S. wage for direct vehicle supplier jobs reached \$80,300 – exceeding the average of all U.S. manufacturing sectors.

MEMA applauds the U.S. Department of Transportation (U.S. DOT) for initiating this Request for Information (RFI) on tools the administration should utilize to "assist in the ongoing and continuous evaluation of Federal policies and programs concerning equitable services and safety in the transportation sectors." While MEMA lacks the expertise to specifically analyze these tools, we urge the Department to move forward with programs and initiatives that can improve motor vehicle safety for many Americans now.

Every day the motor vehicle supplier industry focuses on the safety of the American public. Vehicle suppliers work closely with vehicle manufacturers to innovate, design, provide and deploy cutting-edge safety technologies for new vehicles and to ensure the safety and performance of every vehicle on the road. However, as a country, we must do better. Preliminary 2020 data from the National Safety Council estimates that over 42,000 people died in U.S. motor vehicle crashes.<sup>3</sup> The increase in the rate of deaths is the highest

<sup>&</sup>lt;sup>3</sup> Preliminary Semiannual Estimates, National Safety Council.









<sup>&</sup>lt;sup>1</sup> MEMA represents its 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).

<sup>&</sup>lt;sup>2</sup> U.S. Labor and Economic Impact of Vehicle Supplier Industry, MEMA and IHS Markit. February 2021.

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year-over-year jump since 1924 even with a reduction in vehicle miles driven.<sup>4</sup> Furthermore, a recent report from the Governors Highway Safety Association shows that race and ethnicity play a significant role in motor vehicle fatality rates.<sup>5</sup>

This data is alarming. MEMA urges the U.S. DOT to focus on two immediate initiatives:

- Providing Americans with greater access to life-saving vehicle safety technologies and
- Ensuring the safety of vehicles on the road.

In addition, the vehicle supplier industry plays a critical role in providing jobs to more Americans than any other manufacturing sector. In these comments MEMA will provide some feedback on the role these jobs will play in the future of the industry.

## **Providing Maximum Safety Benefits to All Americans**

Transformative, innovative vehicles should not just be available to the few. One step forward would be updating the U.S. New Car Assessment Program (NCAP). A robust, modern NCAP would provide our citizens with important vehicle safety information and comparative ratings, no matter the size of their budget. The Department should take an aggressive role in promoting these safety technologies through an updated NCAP. An improved NCAP ratings system will better inform consumers about advanced vehicle and occupant safety features and ensure that the public understands the important role that these systems play in determining their safety on the road. Enhanced understanding leads to higher demand, greater deployment and, ultimately, lower prices and greater accessibility for more Americans.

As the Department knows, the current U.S. NCAP rates a vehicle's crashworthiness – in other words, how well it protects the vehicle's occupants in a crash. MEMA has long urged DOT and the National Highway Traffic Safety Administration (NHTSA) to modernize and update the NCAP to include vital crash avoidance and mitigation systems and to establish a roadmap plan for future updates. Not only will an updated NCAP improve consumer understanding and adoption of the technologies, but also will provide the industry more certainty and improved alignment with other global NCAP programs thus enhancing U.S. competitiveness and protecting domestic innovation investments.

Since NCAP is a voluntary, non-regulatory program, U.S. DOT can take immediate action to update and modernize the program. In 2015, MEMA supported language in the FAST Act that required NHTSA to include crash avoidance technology information on the Monroney Label. Although NHTSA has substantial amount of data on the efficacy of these technologies, the agency never finalized the Congressional mandate. The 2015 requirement

<sup>&</sup>lt;sup>4</sup> "Motor Vehicle Deaths in 2020 Estimated to be Highest in 13 Years, Despite Dramatic Drops in Miles Driven," National Safety Council, March 2021.

<sup>&</sup>lt;sup>5</sup> "An Analysis of Traffic Fatalities by Race and Ethnicity," Governors Highway Safety Association, June 2021.

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is no longer sufficient to ensure that a consumer has enough information about crash avoidance technologies.

NHTSA should immediately update NCAP by adding a list of pre-determined crash avoidance and mitigation technologies that will be considered when determining the vehicle rating. There are several crash avoidance technologies that are ripe for immediate inclusion and address common crash scenarios. Much of the technical work, research and test procedures have already been completed for many of these currently available technologies. As such, several can be immediately included as part of an initial update to NCAP.

Therefore, the Department should move forward quickly and finalize these new requirements without further delay. Equally important, NHTSA must establish a clear roadmap to allow for phased-in future updates by prescribed milestones, providing vital time and certainty needed for product development and planning of vehicle manufacturers and suppliers. These changes will assure that the NCAP keeps pace with new technologies, keeps the U.S. on the leading edge of safety technology innovation, and provides safety critical technologies to more Americans.

### **Ensuring the Safety of All Vehicles**

A growing number of our citizens depend on a used vehicle for transportation. The U.S. DOT should recognize the role that the automotive aftermarket plays in providing affordable and reliable transportation to many Americans. The average cost of a new passenger vehicle now exceeds \$40,000 – far beyond what many Americans can afford. Indeed, used car sales in this country rose in the early months of the pandemic as many Americans were forced to look for transportation options and were unable to find an affordable new vehicle.

Vehicles are increasingly more durable and last longer; the average age of passenger vehicles now exceeds 12 years. That means that many Americans keep their vehicles for 20 years or more, and often these individuals will be the second, third, or even fourth owner of a car. Vehicle suppliers develop and manufacture the aftermarket parts and materials needed to maintain and service over 290 million vehicles on the road. Regular service intervals for not only older vehicles, but also newer vehicles with advanced technologies, are critical to maintaining vehicle safety, efficiency, emissions, and performance.

MEMA encourages the Department to consider ways to ensure greater safety of all vehicles on the road. In 2019, unperformed and under-performed maintenance totaled \$41 billion. MEMA has long been a strong advocate of vehicle safety inspections. Yet only sixteen states have a periodic (annual or biennial) safety inspection program. There used to be more states with vehicle safety inspection programs, but, over the years, many have dissolved their programs due, in part, to resource challenges. Therefore, MEMA urges the Department to set aside funding to assist states in the creation or maintenance of periodic state safety inspections, including the reduction of fees for some citizens.

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In addition, the U.S. DOT must take a more active role in addressing vehicle repair and maintenance restrictions. Recently, the Federal Trade Commission (FTC) submitted a report to Congress entitled "Nixing the Fix." This report outlined the repair restrictions that consumers face in repairing their goods and outlines the need for increased action by the FTC and further statutory authority from Congress to provide consumers the ability to choose where, how, and who to repair their goods, including vehicles. Earlier this month, the White House also drew attention to this issue with the publication of the competitiveness Executive Order<sup>6</sup> that encourages the FTC to take actions to provide consumers repair choices.

The "Nixing the Fix" report highlights the challenges consumers face when seeking alternative third-party repair services for their vehicles and other goods they own. As the report clearly finds, the restrictions facing consumers are broad and increasing as vehicle technology continues to advance. Independent aftermarket repair services must remain an option for consumers seeking vehicle repair and maintenance. The Memorandum of Understanding (MOU) between the vehicle manufacturers and the aftermarket simply does not address these issues adequately. The aftermarket is, and can continue to be, a trusted partner in the repair and maintenance of consumers' motor vehicles. This includes the protection of vehicles from cybersecurity threats. Access to vehicle data is necessary to preserve consumer choice and prevent excessive costs in automotive repairs. MEMA urges the Department to embrace these challenges and work with the industry to address this inequity.

## **Transportation Workforce Data**

As the largest employer of manufacturing jobs in the United States, motor vehicle suppliers are uniquely qualified to provide the Department with insights on the opportunities and challenges that face our workforce. While the motor vehicle industry is undergoing a time of unparalleled technical advancement, the future workforce needs are challenging. But the Department can act as a bridge between industry, state and local programs, and individuals seeking greater opportunity.

The skilled worker shortage in manufacturing continues to grow. Suppliers support programs throughout the United States that focus on all levels of the workforce and potential workers – middle and high school students, high school graduates, two- and four-year college graduates, continuing education, and non-traditional students. Yet, these programs are not sufficient to meet the evolving needs of the industry or the American public.

MEMA would urge the Department to engage with industry as we continue to reskill the workforce for the transition to electrification. Specifically, MEMA supports:

 Establishment of a broad National Institute of Manufacturing (NIM) to encourage federal coordination of policy and streamlining of manufacturing programs;

<sup>&</sup>lt;sup>6</sup> Executive Order 14036 "Promoting Competition in the American Economy," July 9, 2021.

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- Assessment of current federal workforce programs;
- Incentives for workers to enter and re-enter manufacturing;
- Adoption of policies that enhance the educated and mobile workforce in the quickly changing automated manufacturing world; and,
- Federal partnerships with state and local governments and private industry to provide training and support for technical colleges and apprenticeship programs.

MEMA appreciates the opportunity to work with the Department to address the specific transportation needs of underserved communities nationwide. At the same time, we urge the Department to take immediate action to promote greater motor vehicle safety and address our continued workforce challenges. These actions can have a positive impact on all Americans.

Sincerely,

Ann Wilson

Senior Vice President Government Affairs

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