

Comments of

MEMA, The Vehicle Suppliers Association to the

Federal Communications Commission

Public Safety and Homeland Security Bureau and the Office of Engineering and Technology Seek Public Input on Commerce Department Determination Regarding Certain Connected Vehicle Technologies

Public Notice

DA 25-418

June 27, 2025

<u>Introduction</u>

MEMA, The Vehicle Suppliers Association, established in 1904, is the leading trade association in the U.S. for vehicle suppliers, parts manufacturers, and remanufacturers. The mobility sector depends on the resiliency and strength of suppliers. MEMA's members design and manufacture the technology, components and services that enable the production of new vehicles, as well as the essential maintenance and repair of the more than 295 million highway vehicles that are currently on the road in the U.S.

Our sector is an intrinsic and essential part of the U.S. economy. Vehicle suppliers employ more than 930,000 direct individuals. Suppliers operate facilities in all 50 states and in more than 350 Congressional districts, with significant concentrations in the Midwest and Southeast. The supplier sector has also added jobs

from different types of businesses and professional backgrounds, reflecting the dynamic and evolving nature of the industry. MEMA welcomes the opportunity to respond to the Federal Communications Commission's (FCC) Public Notice issued in this proceeding.¹

Background and Key Issues in the Public Notice

MEMA appreciates the opportunity to offer its perspective on the critical issues raised in the Public Notice, and to present its thoughts as to how the proposed action will significantly impact the supplier sector. The association, and the industry at large, supports efforts to safeguard U.S. citizens, domestic infrastructure and the national interest.

MEMA provided substantive feedback to the Bureau of Industry and Security (BIS) on both the advanced notice of proposed rulemaking² and notice of proposed rulemaking³ that sought comment on this topic. MEMA also organized meetings with BIS staff that were attended either by MEMA staff or in conjunction with member companies to share critical feedback during the rulemaking process and after the final rule was published. As noted in these submissions, MEMA supports efforts to ensure U.S. national security and to implement the directives of Executive Order

¹ Public Notice, The Public Safety and Homeland Security Bureau and the Office of Engineering and Technology Seek Public Input on Commerce Department Determination Regarding Certain Connected Vehicle Technologies, DA 25-418, WC Docket No. 18-89, *et al.* (rel. May 23, 2025).

² Regulations.gov "Comment from MEMA, The Vehicle Suppliers Association." April 2024.

³ Regulations.gov "<u>Comment from MEMA</u>, The Vehicle Suppliers Association." October 2024.

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13873.⁴ After extensive review of the notice with its members, MEMA wishes to raise several concerns for the FCC's consideration:

- 1. The FCC Covered List: MEMA is concerned by FCC's intention to utilize the Covered List in the proposed capacity. Due to the nature of the BIS rulemaking, specific entities and technologies have not been identified. As a result, the proposed use of the Covered List will be broader than its intended purpose. MEMA urges FCC to reconsider the proposal outlined in the Public Notice, which represents a duplicative, and at points conflicting, effort with the BIS regulation with which industry is already working to comply.
- 2. The FCC Should Acknowledge Flexibilities Provided by BIS: In its final rulemaking, BIS provided several compliance mechanisms, such as general and specific authorizations and advisory opinions to allow for the use of these technologies in specific cases. In the Public Notice, it is unclear how FCC plans to coordinate with BIS to accommodate those flexibilities.
- 3. The FCC Should Follow the Implementation Timeline Provided by BIS: While MEMA urges FCC to reconsider this proposed action, if the Commission proceeds, it is imperative that the FCC consider the implementation timeline provided by BIS, which provides important delays to allow for the industry to prepare for the change.
- 4. The Public Notice Institutes Duplicative Requirements: MEMA is supportive of the efforts by the Administration to reduce the regulatory burden. The duplicative requirements that would result from this action by FCC are in conflict of EO 14192, Unleashing Prosperity Through Deregulation⁵ and EO 14219, Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative.⁶

⁴ Federal Register "Securing the Information and Communications Technology and Services Supply Chain." May 2019.

⁵ Federal Register "Unleashing Prosperity Through Deregulation." February 2025.

⁶ Federal Register "Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative." February 2025.

MEMA appreciates the opportunity to share its concerns and feedback on this

Public Notice. MEMA remains supportive of the efforts to implement the directives of

EO 13873. MEMA urges FCC to consider the impact that the proposed action will have

on the vehicle supplier industry.

FCC Covered List

MEMA is supportive of efforts by the Administration to ensure the national security of connected vehicles and contributed considerably to previous efforts by the Department of Commerce. However, MEMA is concerned by this proposal from the FCC to update the Covered List in response to the BIS rulemaking that was finalized on January 14, 2025⁷. MEMA urges the FCC to reconsider its current approach, which would be an unprecedented expansion of the Covered List.

The Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act) requires FCC to maintain an entity-focused list of communications equipment and services that have been determined to pose an unacceptable risk to national security. The PSHSB monitors the determinations made by federal entities, including those made by the Department of Commerce pursuant to EO 13873. MEMA understands the FCC's obligations to update the Covered List in accordance with the Secure Networks Act, but urges the agency to reconsider such unilateral action.

⁷ Bureau of Industry and Security "Securing the Information and Communications Technology and Services Supply Chain: Connected Vehicles." January 2025.

The BIS rulemaking did not name any specific entities, instead identifying broad categories of technology: automated driving systems (ADS) software and vehicle connectivity system (VCS) software and hardware. The FCC's proposal to follow BIS's format and add VCS hardware as a category is a broad expansion of previous entity-specific additions to the Covered List.

MEMA is concerned that if the FCC were to pursue such broad action, there may be technologies banned for which there is no alternative supply in place. MEMA urges the FCC to reconsider this proposed action, which represents a deviation from previous agency practices and the text of the Secure Networks Act.

FCC Should Acknowledge the Flexibilities Provided by BIS

In its rulemaking, BIS outlined a path to compliance, employing annual Declarations of Conformity, but also established processes for general authorizations, specific authorizations, and advisory opinions. MEMA urges the FCC to acknowledge the flexibilities that were provided by BIS in its rulemaking.

General authorizations are available in a narrow set of circumstances in which the conditions of the otherwise prohibited transactions appropriately mitigate the risk associated with the transaction. The first general authorizations were issued on June 10, 2025, for Limited Use Cases and Temporary Importation.⁸

⁸ Bureau of Industry and Security "General Authorizations." June 2025.

Specific authorizations are permitted for VCS hardware importers and connected vehicle manufacturers who wish to engage in a prohibited transaction but do not qualify for a general authorization. These authorizations are granted in circumstances where BIS determines, based on the information provided by the applicant and any other relevant sources, that the otherwise prohibited transaction does not present an undue or unacceptable risk to national security.

MEMA is concerned that the Public Notice does not refer to either general or specific authorizations and does not indicate how the FCC plans to incorporate these allowances into its proposed action, such as through Commission waiver processes.

MEMA urges the FCC to make clear how any actions resulting from this Public Notice will accommodate the compliance pathways that have already been granted in the BIS rulemaking.

This discrepancy is of great concern to the supplier community, which is already working to comply with the requirements of the BIS regulation. MEMA urges the FCC, BIS, and other related entities to establish a clear interagency process to ensure that any final action that emerges related to this Public Notice is consistent and avoids duplication.

The FCC Should Follow the Implementation Timeline Provided by BIS

If the FCC decides to proceed with the proposal, MEMA respectfully requests that the FCC abide by the timeline provided by BIS in its final rule and consider delaying the consideration of any further action until the implementation of the

rulemaking is complete. The phased-in implementation of the BIS rulemaking is an important mechanism provided by BIS to ensure that industry is able to adjust the supply chain to achieve compliance. This implementation period works in tandem with the authorization framework provided by BIS. The motor vehicle industry is working to meet the phased-in timeline provided by BIS, and any additional regulations are premature.

As part of the Final Rule, BIS provided a phased-in implementation timeline which is as follows:

- 1. "Model Year 2027: Prohibits sales of connected vehicles by connected vehicle manufacturers owned by, controlled by, or subject to the jurisdiction or direction of China or Russia, and vehicles using their covered software.
- 2. Model Year 2030 (January 1, 2029 for non-model-year components): Prohibits the imports of VCS hardware from companies owned by, controlled by, or subject to the jurisdiction or direction of China or Russia.⁹"

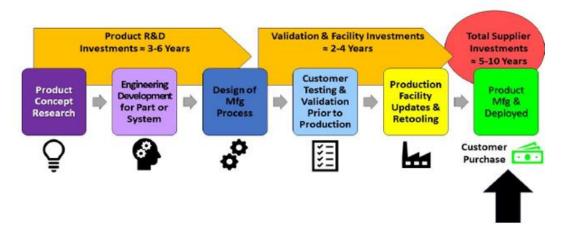
The motor vehicle industry is deeply engaged in the planning process for both Model Years 2027 and 2030. The industry appreciates and understands the desire of the Administration to ensure U.S. national security. The nature of the industry and the requirements associated with the production of safety-critical products make the timeline provided by BIS challenging. Suppliers are working to address the last-minute changes to the supply chains and sub-suppliers that are necessary to comply with the BIS rulemaking. MEMA noted in its response to BIS's proposed rulemaking

⁹ Bureau of Industry and Security "Connected Vehicles." 2025.

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that such last-minute changes pose a safety risk, and a significant burden for companies, who must identify and validate new supply sources.



The graphic pictured above outlines the timeline that motor vehicle suppliers consider when planning investments. Industry must consider both lengthy research and development cycles and validation and facility investment cycles. This minimum five year period is necessary as companies bid on and acquire new projects which then requires the creation of the related supply chains to bid on, acquire, create the supply-chain plan for, validate, and commence production.

If the FCC were to continue to pursue this proposed action, MEMA requests that the agency follow the timeline provided by BIS and consider providing additional time for any FCC actions. Given that the proposed action has no allowance mechanisms, certain technologies subject to this proposal will be banned, and there may be limited alternatives available. Suppliers have previously noted that sudden changes to the supply chains and selected sub–suppliers can pose a safety risk and create a significant challenge for companies – as recent COVID-related supply shocks can

easily confirm. A lengthier implementation period would allow industry the necessary time to identify alternative supply sources. The inclusion of an implementation period is an important step to eliminating any inconsistencies.

The Public Notice Institutes Duplicative Requirements

MEMA is supportive of the Administration's efforts to reduce regulatory burden as outlined in EO 14192, *Unleashing Prosperity Through Deregulation* and EO 14219, *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative*. MEMA is concerned that the proposed action from the FCC represents a duplicative, and therefore unnecessary, regulatory burden on Americans.

MEMA remains supportive of efforts to improve national security. The BIS rulemaking is the result of an extensive process, including two public comment periods where industry had the opportunity to provide substantive feedback. The result of these efforts is a rigorous regulation that incorporated industry feedback into include pathways to compliance, such as the phased-in timeline and authorization process.

MEMA is concerned that the proposed action institutes duplicative and conflicting requirements, seeking to prematurely add VCS hardware to the Covered List without consideration for the various implementation periods and authorization processes that are baked into the BIS regulation. As a result, the proposed action from

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the FCC would add an unnecessary burden on industry, which would struggle to reconcile the BIS requirements with the proposed action from the FCC.

Conclusion

MEMA appreciates the opportunity to share its concerns and feedback on this proposed action with the FCC. MEMA also wishes to state its support for the comments submitted by the Alliance for Automotive Innovation. As articulated above, MEMA and the supplier community support the intent of the BIS rulemaking and the FCC's efforts to ensure U.S. national security. However, we urge the Commission to carefully consider aspects of the proposal which could create duplicative and conflicting requirements.

MEMA reiterates its sincere interest in continuing to work with the Commission in its efforts to ensure U.S. national security. If you have any questions related to MEMA's concerns detailed herein, please do not hesitate to contact Emily Sobel at esobel@mema.org.