BLUEGREEN ALLIANCE

CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

**February 4, 2026**

National Highway Traffic Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590

**RE: Comment in Response to the National Highway Traffic Safety Administration (NHTSA) Proposed Rule on the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks (Docket ID: NHTSA-2025-0491)**

The BlueGreen Alliance unites some of America's largest labor unions and environmental organizations into a powerful force to fight climate change, protect the health of people and the environment, stand against economic and racial inequality, and create and maintain good-paying, union jobs in communities across the country. We thank you for the opportunity to comment on the proposed *The Safer Affordable Fuel-Efficient (SAFE) Vehicle Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks*. Our partnership is firm in its belief that Americans don't have to choose between good jobs and a clean environment—we can and must have both.

**NHTSA Vehicle Standards and Employment**

Strong, achievable corporate average fuel economy (CAFE) standards benefit the environment, workers, and our national economy. American manufacturing and technological leadership in the automotive sector require a strong, long-term trajectory of fuel economy improvements that considers both the environment and workers. We comment today with deep concern regarding the proposed 2022 to 2031 Passenger Car and Light Truck standards.

BlueGreen Alliance's analysis on the impact of previous rounds of fuel economy standards found that when vehicle standards are well-designed and supported by worker protections and investments, they generate high-quality jobs and position the domestic auto industry to lead in a competitive global market.[i] Today, more than 410,000 workers are currently employed in manufacturing the next generation of clean vehicles.[ii] These workers are employed throughout the country, with more than 2,000 facilities developing and producing a full range of technologies designed to improve fuel economy for vehicles.[iii] Manufacturing, integrating, and selling fuel-saving technology are critical

components of the U.S. automotive sector, responsible for hundreds of thousands of American jobs.

**Investment in Domestic Automotive Workforce**

NHTSA acknowledges reduced investments in fuel-saving technology will reduce estimated U.S. auto sector employment, resulting in automotive sector job loss. Even if auto sales increase, NHTSA is clear, "The impact of decreased [labor] demand for fuel economy-improving technologies is larger in magnitude than the increase in [labor] demand that results from increased vehicle sales."[iv]

Onshoring the domestic supply chain for critical minerals and automotive parts is necessary for America's energy independence and manufacturing future. In recent years, we've seen significant efforts to produce more fuel-efficient vehicles and components domestically.[v] As of last year, the United States' electric vehicle (EV) industry was the most invested-in EV industry in the world.[vi]

These investments were the result of clear policies intended to increase onshoring of the domestic supply chain, including federal incentives in the Inflation Reduction Act, which were specifically designed to align with strong, but achievable, federal fuel economy and emissions regulations. This includes manufacturing production credits across automotive and battery supply chains, as well as tax incentives tied to domestic sourcing and North American vehicle assembly and critical mineral requirements.[vii] For example, the Clean Vehicles credit (26 U.S.C. 30D) required an applicable percentage of the value of the critical minerals contained in the battery to be extracted or processed in the United States or a country with which the United States has a free trade agreement or be recycled in North America. The applicable percentage increased each year, with an aim to reach 80% by 2027.[viii]

While many of these incentives were eliminated this year, Congress notably preserved the Advanced Manufacturing Production Credit (26 U.S.C. 45X), adding additional requirements to ensure increased use of U.S.-sourced materials for domestic manufacturing of batteries, battery components, and processed minerals used for batteries. President Trump has also emphasized in his executive actions: "Processed critical minerals and their derivative products are essential for economic security and resilience because they underpin key industries, drive technological innovation, and support critical infrastructure vital for a modern American economy. They are key building blocks of our manufacturing base and foundational to sectors ranging from transportation and energy to telecommunications and advanced manufacturing." Additional investments in these technologies because of CAFE regulations reinforce this effort at a critical juncture in time.[ix] A clear regulatory trajectory toward cleaner vehicles encourages automakers to invest in hybrid vehicles and EVs and U.S. based battery supply chains, providing an opportunity to onshore domestic manufacturing and processing of batteries and battery component materials.

A 2021 Economic Policy Institute (EPI) report, conducted in collaboration with the BlueGreen Alliance, the United Auto Workers, the United Steelworkers, and the AFL-CIO, modeled how different timelines and scenarios of light-duty electrification in the United States would impact auto manufacturing and supply chain jobs. The report found that, if paired with an aggressive agenda of onshoring production and jobs, over 150,000 net new auto manufacturing and supply chain jobs could be created if 50% of new car sales are EVs by 2030.[x] Even falling short of that goal, effective fuel economy and GHG standards increase demand for fuel-saving technologies, including many union, made-in-America products, like lightweight automotive steel and aluminum, gas particulate filters, advanced engines and transmissions, hybrid technologies, and more.[xi]

**Regulatory Stability**

Fuel efficiency targets that provide ample lead time and clear timelines project an evident demand for clean vehicles into the future, providing manufacturers with both the impetus and the time they need to design and proliferate new technologies. This need for innovation encourages more frequent upgrading and retooling of manufacturing facilities. As a result, the industry's own analysis shows automakers and battery manufacturers have invested tens of billions of dollars in retooling factories and building new facilities across the industrial Midwest and the South over the past decade.[xii] This has spurred fuel efficient technologies, but also improvements to vehicle safety, performance, and other features that matter to drivers.

Long term regulatory certainty also gives automakers the confidence needed to make large, future-oriented capital investments. In contrast, federal backtracking on standards leads to stranded investments and ever-shifting corporate priorities. In December of 2025, Ford Motor Company announced it would "take a $19.5 billion hit to its profit to cover the costs of a major change in strategy." Other auto companies have made similar pivots in recent months, resulting in thousands of American autoworkers losing their jobs.[xiii]

All regulatory actions involving the deployment of new technologies require modeling of future market conditions. If stakeholders believe that earlier actions were either too aggressive or too cautious, they can reasonably argue for changes to regulatory standards and timelines. However, NHTSA's current proposal is extreme. As auto industry analysts have noted, "the worst thing of all for the automakers, even worse than a difficult regulation, is a back-and-forth swing every four years." It would be unrealistic to expect fuel economy and emissions regulations will not be revisited again by future administrations. Aiming to create a framework for stability would benefit the automotive industry far more than any short-term dismantling of requirements.

Weakening NHTSA's fuel economy standards is another significant pendulum swing. Drastic changes to regulation, rather than moderate adjustments, signal that the United States is an unreliable regulatory environment for long-term industrial planning and is too volatile for manufacturers who realistically need to make multi-billion-dollar investments

on decadal timelines. The Motor and Equipment Manufacturers Association (MEMA) has raised the concern that, "If US policy diverges sharply from global norms, US suppliers may fall behind and become out-innovated by foreign competitors who are building to stricter global standards."[xiv] Gutting fuel economy standards harms existing and future manufacturing investments and jobs in the United States, including many of the 410,000 workers now employed in manufacturing clean vehicles.

**Global Trends in Innovation**

Globally, clean vehicles and EVs are the future. Policies and investments abroad have prioritized the advancement of critical transportation technologies, with China emerging as a leader. China currently produces the lion's share of technologies, such as EV batteries, in the global market—over 70% of all EV batteries ever manufactured have been produced in China.[xv] The impact of ceding technological advancement to China or other nations is manifold. It is critical to national security to continue technological advancement and innovation. These technologies will not be limited to vehicles. They will have uses in industry, in the military, in the healthcare system, and beyond. In the past year, Congress and the Trump administration preserved crucial tax credits for battery production and deployment[xvi] and made noteworthy transactions to strengthen America's critical minerals production and supply chain for batteries, which resulted in the U.S. government taking ownership stakes in companies like MP Materials, Lithium Americas, and Trilogy Metals.[xvii] The White House has stated, "It is imperative for our national security that the United States take immediate action to facilitate domestic mineral production to the maximum possible extent." [xviii] To retreat away from innovation on vehicles, the biggest potential market for batteries, is to miss an enormous opportunity to bolster this goal, as batteries are an unparalleled driver for critical mineral demand.[xix]

Chinese manufacturers are now producing EVs at an unprecedented scale and at a lower cost. More than 11 million EVs were sold in China in 2024, nearly half of the country's car sales. Chinese manufacturers are aggressively exporting EVs to markets in Latin America, Europe, and Asia.[xx] Ford CEO Jim Farley has stated bluntly, "We are in a global competition with China, and it's not just EVs. And if we lose this, we do not have a future at Ford."[xxi] In 2025, one-in-four cars sold globally is expected to be electric.[xxii] Global EV sales "increased by 21% year-on-year to 18.5 million vehicles in the first 11 months of 2025."[xxiii] This marked increase has been consistent year-after-year. Just five years ago, in 2020, global EV sales were approximately 3 million. [xxiv]

Strong standards incentivize American companies to innovate and invest in new technology alongside foreign counterparts. The absence of strong standards, in contrast, encourages companies to generate short-term profits by selling high-margin vehicles at the cost of their long-term competitiveness. These investments are important not only to grow jobs in the United States but to protect existing jobs. A report published in 2025 found that 47% of Americans plan to purchase an EV in the next five years.[xxv] If American automakers are not manufacturing those cars at sufficient scale and competitive price

points, consumers will look to imported vehicles to meet their demand. Without leadership in ingenuity, U.S. companies risk losing both global and domestic market share, impacting every American whose work is connected to the automotive industry. If we fail to keep up, the next generation of auto manufacturing jobs will be in Asia and Europe, not in American factories. This is not just about ceding manufacturing jobs—it's about ceding the future of innovation.

Strong, long-term, achievable standards provide a critical long-term investment signal for motor vehicle and vehicle equipment companies. Those companies have significantly relied upon the existence of these standards in developing their corporate strategies, research and development targets, product plans, and factories. Retreating on vehicle innovation wastes these investments and puts short-term profits ahead of the long-term viability and survival of the American auto industry.

**Conclusion**

Strong, globally leading fuel economy standards are critical to maintain and grow domestic content, and essential to head off potential threats to domestic manufacturing. Such standards have been shown to increase domestic investment and the likelihood of multi-national corporations investing in manufacturing advanced vehicle technology in the United States. By contrast, a rollback will slow demand for these technologies in the United States, discourage companies from making their next investment here, encourage advanced technologies to take hold in other markets, and put today and tomorrow's domestic manufacturing at risk.

The BlueGreen Alliance welcomes the opportunity to work with NHTSA to craft policies to promote domestic manufacturing of vehicles and advanced technologies in the United States that continue to protect our environment and ensure the safety and well-being of all Americans.

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