



October 28, 2019

U.S. Department of Transportation  
Docket Management Facility M-30  
1200 New Jersey Avenue, SE  
West Building, Ground Floor, Room W12-140  
Washington, DC 20590-0001

**RE: Electronic Motor Vehicle Transactions Systems [Docket No. NHTSA-2019-0092]**

The American Association of Motor Vehicle Administrators (AAMVA) welcomes the opportunity to provide comment on the National Highway Traffic Safety Administration's (NHTSA) request for comments on electronic motor vehicle transaction systems. The accompanying final rule has been a long-term goal of the association, and establishes a sense of continuity as motor vehicle agencies look to develop the appropriate electronic vehicle ownership and odometer disclosure transactions associated with titling transactions. AAMVA provides the following comments with respect to:

- 1) Ways that adopting purely paperless transaction systems may reduce vehicle transaction costs for States, consumers, and other stakeholders.

AAMVA expects that certain member jurisdictions may eventually realize certain broad areas of cost savings once they have successfully pursued and implemented a solution tailored to their constituents' need. However, each state will have vastly different circumstances with respect to the promulgation of this final rule and its potential for impacts to their current business processes. Given that numerous states may not have considered wholesale investment in an e-titling solution under the prior provisional nature of FAST Act authority ([P.L. 114-94](#); Section 24111), nor having been granted a previous exemption from NHTSA regarding alternate odometer capture, each state will need sufficient time to evaluate what this rule means to them and their current business processes. Each state will need to examine how the permissive nature of the rule impacts their ability to consistently fulfill their mission obligations and their continued priority of serving the public's best interest. Further, any assumption AAMVA provides in terms of broad cost savings should be interpreted to represent efficiencies delivered as a result of fully realizing an electronic motor vehicle transaction system.

As states transition to a fully electronic platform, there will not only be significant administrative and process changes, but additional costs associated with making that transition and standing up a fully robust information technology resource that satisfies both paper and electronic motor vehicle transactions.

In the short term, and while it may be difficult to make assumptions until such an evaluation is made by each state, it would be reasonable to expect cost savings in the following areas:

- Physical document retention costs
- Mailing costs
- Document production and title stock

However, until a fully paperless environment is realized, states may incur the following additional costs should they choose to pursue a purely electronic transaction system.

Additional Costs:

- Increased data storage and bandwidth
- System development costs
- Information technology infrastructure and security
- Networking services
- Training requirements
- Data transfer to new system

While AAMVA is excited at the potential for realizing efficiencies through a purely electronic process, each state will have to make detailed individual decisions on how best to proceed with the opportunities presented in the final rule. AAMVA again applauds NHTSA for its work, and commends NHTSA for preserving state discretion in making these opportunities absolutely permissive.

2) NHTSA requests information on reduction of transaction costs for specific segments of industry.

AAMVA defers comment on how cost savings might be realized by insurance, salvage and wholesale automobile auctions, dealers, vehicle registration companies, and technology companies to those most suited to represent their interests.

3) What steps can NHTSA take in assisting the States in determining whether and how best to implement the e-Odometer procedures?

AAMVA requests NHTSA help states by providing educational assistance on what the rule means in terms of conducting transactions. NHTSA will need to assist members in

understanding how the changes included in the final rule allow them to pursue new opportunities. Further, NHTSA will need to ensure all jurisdictions have a clear understanding of how the rule may impact their own jurisdiction. Of immediate consequence in the final rule is providing clarity on how the additional population of vehicle odometer capture will be applicable to all jurisdictions beginning on January 1, 2020. Many states may believe this not applicable to them, and NHTSA must ensure all stakeholders are prepared for the gradual inclusion of a previously exempted (and continuously expanding) vehicle demographic. Static resources describing guidance on the final rule will be needed for consistent application of the rule.

Further, while AAMVA is appreciative of NHTSA promulgating a “rolling” implementation plan for the new 20 year odometer exemption requirement, the 90 day effective date will create significant challenges for AAMVA members as they shift resources to accommodate the change in an extremely short period of time. NHTSA could best assist states by consideration of a delay for incorporation of the 10 year odometer exemption requirement to provide states with the opportunity to make the necessary system and business process adjustments required to capture the additional vehicle population.

Undoubtedly, questions from the states will arise as the rule matures. AAMVA requests NHTSA be considerate and timely in their responses to avoid miscommunication.

AAMVA also encourages NHTSA to avoid being prescriptive in their application of the final rule. While we are extremely grateful for the promulgation of a rule many years in the making, those efforts can be easily undone by being heavy handed in mandating additional requirements on the states. NHTSA should understand that each individual state may be dealing with a different level of readiness. They may also represent a differing level of state transaction system complexity. The states alone are best situated to pursue an e-odometer solution and should reserve that responsibility should they choose to do so.

- 4) What questions do States have in determining whether and how to implement these systems, and what can NHTSA do to help?

See above.

- 5) What can be done to support development of secure odometer disclosure programs and electronic titling systems more generally?

Again, see the above, with particular emphasis on preserving state discretion in pursuing independent state solutions that best fit the needs of each jurisdiction.

- 6) How can NHTSA support the interoperability of multiple state electronic titling systems?

States may not be positioned to make long term, interoperability determinations at this point in the process. The states are only weeks removed from the promulgation of this relatively significant rulemaking. AAMVA requests NHTSA give states the opportunity to evaluate the impacts of the rule on each state's transaction system before pressing forward under a preconception that all states will be positioned similarly. While AAMVA appreciates the need to understand the long-term vision the final rule presents, it is premature to make interoperability determinations before understanding the gravity of immediate next steps for the states.

AAMVA thanks NHTSA for the opportunity to comment on this important rulemaking and applauds NHTSA's efforts to facilitate vehicle odometer transactions while ensuring responsible consumer and vehicle safety oversight protocols. AAMVA looks forward to continued collaboration with NHTSA as we pursue the safety efficiencies represented in the final rule.

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