



June 13, 2025

This letter announces the next step in NHTSA's new Automated Vehicle (AV) Framework to prioritize safety, unleash innovation, and enable commercial deployment. To facilitate automated driving systems (ADS) technology reaching its full potential to transform roadway safety, NHTSA is streamlining its exemption process for commercial deployment of vehicles and adopting a dynamic and flexible approach to evaluating these exemptions. These improvements will allow NHTSA to process ADS and other exemptions more quickly while also allowing NHTSA to prioritize safety through a tailored and progressive operational oversight approach.

The National Traffic and Motor Vehicle Safety Act ("Safety Act"), 49 U.S.C. Chapter 301, authorizes NHTSA to grant exemptions that permit manufacturers to produce vehicles over a 2- or 3-year period that do not comply with certain Federal motor vehicle safety standards (FMVSS) (49 U.S.C. § 30113). This exemption program is implemented through regulations found at 49 CFR 555 ("Part 555"). NHTSA may grant a Part 555 exemption if at least one of four bases listed in the statute is met and NHTSA determines that the exemption is consistent with the public interest and the Safety Act. The statute also authorizes NHTSA to subject an exemption to terms the agency deems appropriate and requires that NHTSA publish notice of the application and provide an opportunity to comment.

The current Part 555 process was designed for traditional vehicles. As currently applied, this process is not well suited for processing exemptions involving ADS-equipped vehicles in a timely manner or overseeing the unique complexities involving their operations. This has resulted in long processing times for applications for ADS-equipped vehicles. NHTSA must improve its Part 555 processing times substantially to keep pace with the rapid innovation of the ADS industry and to ensure that exemptions remain effective tools for nurturing groundbreaking safety technologies.

To modernize the Part 555 process, NHTSA focused on key areas that have especially prolonged review times. In particular, reviews of requests involving ADS have tended to require extensive follow-up with applicants. In addition, since most ADS operations evolve over time as the technology matures, developing static terms and conditions for the entire lifespan of an exempted vehicle is often challenging and time-intensive. NHTSA has developed process improvements to mitigate these issues.

First, NHTSA will be publishing enhanced application instructions that are intended to help manufacturers better understand the application requirements in Part 555 and to provide guidance to manufacturers about the information that will be most helpful to the agency when evaluating their application. This guidance will help streamline the process by reducing the need for NHTSA to request additional information from the manufacturer.

Second, NHTSA will be adopting a more dynamic and flexible approach to evaluating and overseeing exemptions for ADS-equipped vehicles. Applying a static set of conditions to a

dynamic technology creates technical and oversight challenges that have prolonged past reviews of applications involving ADS. The agency recognizes that more adaptable terms and conditions will enable both better oversight and a quicker assessment of the threshold question of whether to grant an exemption. To build flexibility into the Part 555 process while also accounting for the unique aspects of those exemptions, NHTSA intends to develop terms that could be included in Part 555 exemption grants, when appropriate, to condition operations of exempted ADS-equipped vehicles on enhanced and continuing oversight from NHTSA. NHTSA would expect to administer this enhanced oversight through letters, which could be updated over time, mirroring real-world ADS development. This will enable NHTSA to focus its initial review during the application stage and align the Part 555 oversight approach more closely to exemptions administered under NHTSA's Automated Vehicle Exemption Program (AVEP), which have proven effective for ADS.

More information about both of these process improvements will be provided in the enhanced instructions to applicants posted to NHTSA's website. Together, NHTSA expects these steps to improve the efficiency of the Part 555 exemption program substantially, significantly reducing processing times for applications. With these improvements, NHTSA anticipates reaching decisions on most exemption requests within months rather than years. NHTSA anticipates publishing the enhanced instructions shortly and will begin implementing the modified approach to evaluating exemption requests immediately. If you have any questions, you may contact the Automation Exemptions Division of NHTSA's Office of Automation Safety at AVExemptions@dot.gov.

Sincerely,

Peter Simshauser

Peter Simshauser
Chief Counsel