

As Recalls Slow & Rulemaking Stalls, What's Next for the Nation's Vehicle Safety Watchdog?

As federal agencies face budget cuts and policy shifts under the new administration, what changes are in store for the agency tasked with vehicle safety? While it appears to be business as usual, investigations, enforcement and recalls have slowed and rulemaking is currently at a standstill.

The U.S. Department of Transportation's (DOT) National Highway Traffic Safety Administration (NHTSA) is the federal agency charged with overseeing motor vehicle and highway traffic safety. NHTSA sets, oversees and enforces the federal safety standards (known as FMVSS), recalls and early warning reporting requirements (EWR).

So far this year, NHTSA, under new leadership, continues to cruise along on recalls and investigations, but at a reduced speed. NHTSA's Office of Defects Investigation (ODI) reported its quarterly metrics on "[Newly Initiated Safety Recalls and Investigations](#)," which are down compared with 2024 levels, as seen in the table below.

Investigation and Recall Numbers Dip

For instance, ODI's latest quarterly report covering the time between January 1, 2025, and March 31, 2025 (FY25Q2) shows it launched eight new investigations for the three-month time period, but upon a closer look, half of those investigations were initiated in early January, *before* the start of the new administration. Thus, the new administration has initiated four total investigations through March 31, 2025. By contrast, ODI launched 19 investigations for the same quarterly reporting period under the prior administration (for FY24Q2).

Recalls have also seen a downturn compared with prior years. From January 1, 2025, through March 31, 2025, the recall count totaled 222, down from 271 for a three-month period ending December 31, 2024 (FY25Q1).

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Newly Initiated Safety Recalls & Investigations

	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Equipment	24	26	29	18
Vehicle	247	227	236	197
Recall Count Total	275	256	271	222
Recall Population	5,180,171	7,489,226	9,461,260	3,841,327
Investigations	18	11	10	8

Source: NHTSA Office of Defects Investigation

It is hard to say what is behind the downturn in investigations and recalls. Like other federal agencies, NHTSA has been faced with cuts to its workforce, including firing of its employees to the tune of a 4 percent staff cut in late February 2025. Some of those cuts included a number of staffers working on vehicle automation safety.

Enforcement, Rulemaking and Investigations Uncertain...For Now

Under the prior administration, NHTSA sought increased funding for 2025 for enforcement, which includes vehicle safety compliance and safety defects. Some of the agency’s planned enforcement efforts include driving automation systems, vehicle electrification, cybersecurity and new automotive system architectures that depend on hardware and software advances. Yet, these budgeted plans are in flux.

Within the first ninety days of the new administration, two presidential memorandums and the deregulatory initiative in [Executive Order 14219](#) directed all federal agencies, including NHTSA, to [freeze rulemaking](#), order a full review of both new and existing regulations and, if necessary, [repeal any regulations deemed “unlawful.”](#) The executive order specifically mentions regulations that “impede technological innovation” as targets for rescission—which puts a spotlight on those for autonomous vehicles. Also, any new rules initiated by NHTSA will be subject to review by designated officials outside of the DOT and NHTSA to ensure alignment with the administration’s deregulatory goals.

While investigations and the targets of those inquiries may change under the new



administration, the business of NHTSA's investigation and enforcement appears to be moving in a similar direction. For example, Tesla Inc.'s cars and driver assistance software remain subject to the agency's ongoing probes which, so far, have not shown public signs of significant agency pivots.

To be sure, the broader deregulation directives and additional rulemaking requirements will alter NHTSA's ability to develop, finalize and enforce vehicle safety regulations. This may also spill over to NHTSA's approach to existing and potential investigations. And, as we've seen with other federal agencies and programs, additional staffing cuts may impact NHTSA's broad scope and regulatory reach.

Compliance Remains Essential for Manufacturers

With no publicly announced changes to NHTSA's investigations, enforcement and recalls, manufacturers of vehicles, equipment and parts must continue to comply with FMVSS, the Motor Vehicle Safety Act, while also satisfying recall and other reporting requirements, such as EWR, on a timely basis, as mandated and administered under NHTSA's authority.

If you have questions or would like to reduce your enforcement risks, please contact Colleen Fielkow or another member of Reinhart's Product Liability, Safety and Recalls Team.

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