

The Basic Transportation Vehicle Act

A Framework for an Affordable American Car, Built at Scale

Draft policy framework | William Foster Wood | September 2026

Summary

The United States no longer sells a new car for under \$20,000. The Nissan Versa, the last one, has been discontinued, and the average new vehicle now sells for about \$49,000. Millions of working families depend on aging used cars whose failures they cannot afford to fix. When the car breaks, the job, the doctor's appointment, and the school pickup go with it.

This framework creates a new federal class of vehicle, the Basic Transportation Vehicle (BTV): simple, durable, repairable by any mechanic, and sold new for roughly \$9,000 to \$12,000. It is designed not as a niche product but as a mass-market category capable of reaching one-third of U.S. new-vehicle sales, about five million vehicles a year.

The model is the 1960 Ford Falcon: an engine, a transmission, a body, seats, and parts that bolt on. The Falcon's base price of just under \$2,000 equals roughly \$22,000 today. Modern factories, with automated stamping and welding and far higher labor productivity, can build a comparable car for about half that once the regulatory costs now attached to every vehicle are removed.

Part I. The Problem

Entry-level cars have disappeared because automakers earn far more on large trucks and SUVs, and because every new vehicle must now carry the same regulatory and electronic content regardless of price. A modern economy car contains dozens of networked computer modules running its windows, locks, sensors, displays, and driver aids. Each is a point of failure, and each failure costs hundreds of dollars to diagnose and replace. For a family living paycheck to paycheck, a single failed module can take a car off the road for good.

The burden falls hardest in rural America, where public transit runs hourly or not at all and a car is the only way to reach work. There is no product on the market for these families. The used cars they can afford carry the same complexity as new ones, only older and closer to failure.

Part II. The Vehicle Class

Sec. 101. Definition. A Basic Transportation Vehicle is a four-wheeled passenger car or light pickup seating no more than five, with a curb weight not exceeding 2,800 pounds and a gasoline

engine not exceeding 2.5 liters. A manual transmission is standard; a conventional hydraulic automatic without electronic control may be offered.

Sec. 102. Speed governor. Every BTV is mechanically governed to a top speed of 60 miles per hour. BTVs may operate on all public roads. States may restrict their use on controlled-access highways where the posted limit exceeds 60 miles per hour. The lower speed is what justifies the lighter requirements that follow, because crash severity rises steeply with speed.

Sec. 103. Electronics limit. A BTV may contain no networked electronic control modules. Permitted electrical systems are ignition, charging, lighting, horn, wipers, heater fan, gauges, and an optional radio. Carbureted or mechanical fuel delivery is permitted. The purpose is a car that any mechanic can diagnose with basic tools.

Sec. 104. Price ceiling. To qualify for the class and the protections in this Act, the base manufacturer's price may not exceed \$12,000 in 2026 dollars, indexed annually to the Consumer Price Index. The ceiling keeps the class honest: its benefits are reserved for genuinely basic cars, not stripped-down versions of expensive ones.

Part III. Safety Baseline

Sec. 201. Required equipment. Every BTV must have three-point seat belts in every seating position, dual-circuit hydraulic brakes, a laminated windshield, standard lighting and turn signals, and windshield wipers.

Sec. 202. Structural certification. Each BTV platform must have a reinforced passenger cell and front and rear crumple zones, certified once by engineering analysis and a single frontal barrier test. Certification applies for the life of the platform rather than each model year. Crumple zones are a design cost, not a per-car cost, so this requirement adds little to the price of each vehicle.

Sec. 203. Exemptions. BTVs are exempt from all other Federal Motor Vehicle Safety Standards and from the federal bumper standard, including requirements for airbags, anti-lock brakes, electronic stability control, rear-visibility cameras, tire-pressure monitoring, and any driver-assistance systems.

The logic of this Part is to keep the protections that save the most lives per dollar and drop the expensive electronics. Federal estimates credit seat belts with saving roughly 15,000 lives a year, several times more than airbags. A three-point belt costs a manufacturer well under a hundred dollars.

Part IV. Emissions and Fuel Economy

Sec. 301. Exemption. BTVs are exempt from federal emissions certification, onboard diagnostic requirements, evaporative emissions controls, and Corporate Average Fuel Economy standards.

A light car with a small engine is inherently economical. The 1960 Falcon, carbureted and with no emissions equipment, delivered around 30 miles per gallon. A BTV weighing less than most of today's sedans would use far less fuel than the trucks and SUVs that now dominate new-car sales.

Part V. Injury Compensation Fund

Product-liability exposure is the single greatest obstacle to a car built without modern safety electronics. A contract waiver will not solve it: since *Henningsen v. Bloomfield Motors* (1960), courts have refused to let car buyers sign away protection against injury, and a waiver would never bind passengers or pedestrians. This Part replaces lawsuits with compensation, following the model Congress created for vaccines in 1986.

Sec. 401. Establishment. There is established a BTV Injury Compensation Fund, financed by a fee collected at the sale of each new BTV, initially \$300 per vehicle and adjusted as needed to keep the Fund solvent. Claims are decided by special masters of the U.S. Court of Federal Claims, as under the National Vaccine Injury Compensation Program.

Sec. 402. Coverage. The Fund compensates drivers, passengers, pedestrians, and cyclists for injuries or deaths attributable to the design characteristics of a BTV, without any requirement to prove fault.

Sec. 403. Exclusive remedy. Design-defect claims against a manufacturer whose vehicle complies with this Act must be brought through the Fund rather than in state or federal court. Claims that a vehicle was not built to its certified design, claims of fraud, and failures to carry out a recall remain actionable in court.

Sec. 404. Ordinary crashes. Nothing in this Part affects negligence claims between drivers or the operation of automobile insurance.

The Fund does two things at once. Injured people are paid promptly, without years of litigation. Manufacturers gain the predictability they need to invest in factories, because their exposure becomes a known cost per car rather than an open-ended risk.

Part VI. State Registration

Sec. 501. Registration required. As a condition of receiving full federal highway funding, each state must title and register BTVs on the same terms as other passenger vehicles. Congress used the same lever in the National Minimum Drinking Age Act of 1984, and the Supreme Court upheld it in *South Dakota v. Dole* (1987).

Sec. 502. Inspection. States retain authority to apply their ordinary periodic inspection of brakes, lights, tires, steering, and seat belts to BTVs.

Part VII. Reaching a Third of the Market

Americans buy roughly 15 to 16 million new light vehicles a year. One-third is about five million, more than most automakers build in total. Reaching that scale requires many manufacturers, many plants, a national parts network, and buyers who can finance a purchase. This Part is built for that scale.

Sec. 601. Open reference design. The Department of Transportation shall commission a complete public-domain reference design for a BTV sedan, wagon, and light pickup, including body, chassis, engine, and transmission, built on standardized, interchangeable parts. Any manufacturer may build it royalty-free, and manufacturers remain free to build their own designs that meet the class. A shared design lowers the cost of entering the market and means a part from one maker fits another's car, which drives parts prices down nationwide, as it did in the era of the Model T and the Falcon.

Sec. 602. Plant financing. The Department of Energy shall provide federal loan guarantees for new or converted plants building BTVs, engines, and transmissions in the United States, with priority for communities that have lost automotive manufacturing.

Sec. 603. Domestic content. To qualify for loan guarantees and for the protection of the Compensation Fund, a BTV must undergo final assembly in the United States and contain at least 75 percent domestic content by value.

Sec. 604. Direct sales. BTV manufacturers may sell directly to consumers notwithstanding any state dealer-franchise law. Removing the mandatory dealer margin lowers the price by hundreds to thousands of dollars per car.

Sec. 605. Right to repair. Manufacturers must publish complete service manuals and parts catalogs free of charge, keep replacement parts available for 25 years after a model's last sale, and use no proprietary tools or software locks.

Sec. 606. Buyer financing. The Treasury shall establish a loan-loss reserve for credit unions and community development financial institutions that make BTV purchase loans to buyers with limited credit. A \$10,000 car financed over five years at 8 percent costs about \$203 a month, within reach of a household that today cannot buy any new car at all.

Sec. 607. Federal fleet preference. The General Services Administration shall give BTVs purchasing preference wherever a federal light-duty fleet need can be met by a vehicle of the class, providing early, stable demand while production ramps up.

Part VIII. Anticipated Objections

Safety. Critics will point out that the traffic death rate per mile in 1960 was roughly four times today's. The response is that this Act does not bring back the 1960 car. It keeps seat belts in every seat, a certified passenger cell and crumple zones, and dual-circuit brakes, and it caps

speed at 60. Those are the protections that account for the largest share of lives saved, and they cost little. What it drops is the electronic content that makes cars expensive and fragile.

Emissions. Carbureted engines without catalytic converters emit more pollutants per mile than modern engines. The BTV's small engine and light weight offset part of that. If the exemption proves an obstacle to passage, a fallback amendment could require 1975-era equipment, an oxidation catalyst and crankcase ventilation, which works with a carburetor, needs no computer, and adds only a few hundred dollars.

Industry opposition. Established automakers earn their profits on large, expensive vehicles and may resist a class that competes with them. The open reference design and loan guarantees are meant to let new manufacturers enter regardless, and incumbents remain free to join the market.

Stigma. India's Tata Nano failed in part because buyers did not want to be seen in "the cheapest car in the world." The Model T, the Volkswagen Beetle, and the Falcon itself show the opposite is possible: basic cars can become beloved when they are marketed as durable, honest, and easy to own.

Part IX. Next Steps

The framework draws on elements with support across the political spectrum: deregulation, affordability for working families, domestic manufacturing, and right to repair. The next steps are to identify bipartisan sponsors in both chambers, commission an independent cost estimate of the reference design and the Compensation Fund, and build a coalition of rural advocates, credit unions, independent repair shops, and communities seeking new manufacturing plants.

An affordable car was once the foundation of American mobility. This Act would make it so again.