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**Testimony in Opposition to Senate Bill 427
on behalf of the Alliance of Automobile Manufacturers**

before the

**Senate and House Transportation Committees – Joint Hearing
“Highly Automated Vehicles (HAV) Testing Legislation”**

on

**Tuesday, March 21, 2017
Hearing Room 1, North Office Building,
Pennsylvania State Capitol
9:30 a.m.-12:30 p.m.**

On behalf of the Alliance of Automobile Manufacturers, I would like to thank you for the opportunity to express our concerns with Senate Bill 427. Upon analysis and review, we believe SB 427 will only serve to obstruct the Commonwealth's emerging automated vehicle technology industry, while offering no clear benefit to resident safety. The Alliance is a trade association representing twelve of the world's leading car and light truck manufacturers, including BMW Group, FCA US LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of America, and Volvo Car USA. Together, Alliance members account for roughly 70% of the cars and light duty trucks sold throughout the United States each year.

Automakers continue to push the leading edge of safety and automated driving technology developments taking place across the United States. The next step forward lies in working to mitigate or avoid the 94% of accidents currently attributable to human error through the continued development and deployment of SAE J3016 Level 3-5 Automated Driving System (ADS)-equipped vehicles, or "highly automated vehicles," as they are referred to by the National Highway Traffic Safety Administration (NHTSA) in its recently published *Federal Automated Vehicle Policy (FAVP)* guidance document.

The Alliance has urged policymakers to proceed carefully in creating new and broad legal frameworks, such as those proposed by Senate Bill 427 in its current form. It is because of these concerns that the Alliance strongly cautions the Legislature against imposing restrictive regulations that would serve to inhibit vehicle innovation and delay potential safety benefits. As it did during the 2016 legislative session, the Alliance encourages the Commonwealth to heed NHTSA's advice about appropriate state action with respect to highly automated vehicles (see FAVP), and to avoid regulating vehicle safety performance, design, and certification. Doing otherwise works to create a state level patchwork of regulation hindering the deployment of potentially life-saving technology.

The Alliance agrees with the U.S. Department of Transportation's assessment of the roles of federal and state authorities with respect to regulating motor vehicles. As detailed in the FAVP, the oversight of system safety design, performance, and certification is best left to one unified federal standard, while traditional registration, licensing, and insurance issues are best left to individual states.

The FAVP is explicitly intended as a voluntary guidance document, where updates and adjustments are expected regularly. States should not attempt to "enforce" the guidance by implementing the FAVP as a permanent standard. Relatedly, the FAVP encourages states not to create patchworks of conflicting laws and regulations, but rather to work together with NHTSA to provide consistent policies, including standardization of interstate road infrastructure (traffic signals, lights, pavement markings, etc.) and maintenance. Efforts in this direction will prove beneficial to all stakeholders.

As Pennsylvania considers whether to move forward on an ADS policy framework, we suggest the following concepts be given careful consideration:

- **Use of SAE International Definitions Exclusively – J3016:SEP2016**
 - SAE definitions are precise and functionality-based, thus can be used to appropriately delineate levels of autonomy used frequently within the auto industry. Such definitions are being used throughout the world, including by NHTSA, which endorsed it in the FAVP. A license- and cost-free copy can be obtained here: http://standards.sae.org/j3016_201609/.
- **State Preemption of Local/Municipal Regulation**
 - State requirements with respect to ADS-equipped vehicles should preempt those at the local or municipal levels in order to avoid disparate requirements within a state.

- **Administrative Considerations**
 - Identify a lead agency responsible for oversight of ADS-related issues in the state; look to address unnecessary barriers to safe testing or deployment of ADS-equipped vehicles in the State.
- **Disclosure of Testing or Deployment in State**
 - Manufacturers or other entities testing ADS technology on public roadways in the state should provide notice to the designated lead agency.
- **Evidence of Surety Bond/Proof of Insurance**
 - Manufacturers or other entities must provide evidence of ability to satisfy a judgment or judgments for damages for personal injury, death, or property damage.
- **Testing or Deployment on Public Roadways by the Manufacturer or Other Entity**
 - Manufacturers or other entities must comply with applicable Federal law and NHTSA regulations before operating vehicles on public roadways, whether or not they are in testing or in “normal” operation. (*Note: Established vehicle manufacturers are exempt from compliance with federal motor vehicle safety standards (FMVSS) for test vehicles per the Federal FAST Act³).
 - Allow testing and deployment without a human driver in the vehicle.
 - A state should not impose vehicle safety, design, or performance requirements, which are the purview of federal authorities.
 - Regulations governing labeling and identification for ADS-equipped vehicles should be issued by NHTSA to maintain consistency across state lines. (Reference p. 44 of FAVP)
 - Test vehicles should be exempt from state vehicle inspection requirements; such vehicles are not offered for sale to customers and have never been subject to vehicle inspection requirements in the past. In addition, as noted above, test vehicles operated by established manufacturers are not required to meet FMVSS under Federal law and may therefore not be able to pass a state inspection.
- **Deployed Vehicles: Registration and Titling**
 - A state’s registration and titling requirements should be recognized by other states.
 - Regulations should account for those situations where test vehicles may not have the same attributes as deployed vehicles, i.e. no vehicle identification number (VIN), missing labels, prototype parts, etc.
- **Law Enforcement Considerations**
 - All crashes involving ADS-equipped test vehicles should be reported in accordance with the state law in which the crash occurred.
 - States should work together on standardization of interstate road infrastructure and maintenance, including traffic signals, lights, and pavement markings.
 - Distracted driving laws should not apply when an ADS feature is engaged.
 - Manufacturers should make available to law enforcement and emergency responders information on interacting with ADS-equipped vehicles.
- **Manufacturer Liability**
 - A manufacturer of ADS-equipped vehicles, ADSs, or motor vehicles should be immune from liability that arises out of any modification made without the manufacturer's consent by another person to its ADS-equipped vehicles, ADSs, or motor vehicles.

While SB 427 seemingly attempts to address many of the guidelines listed above, it does so in a manner that is overly constrictive and burdensome.

In general, if a state chooses to take legislative or regulatory action with respect to ADSs, we recommend that such action be premised on removing impediments to safe testing or deployment of such vehicles. We recommend states should concentrate on revising existing laws and regulations to comprehend ADS-operated vehicles. Further, states should not seek to set vehicle design, performance, or certification requirements, as doing so would conflict with NHTSA's traditional role, and give rise to a patchwork of potentially conflicting state-specific requirements that would impede the deployment of ADS-equipped vehicles.

As we are seeing, vehicle technology is advancing rapidly and holds great promise for improvements in road safety and mobility. However, as NHTSA acknowledged in the FAVP, there are still many unknowns. As technology evolves, the "unknowns" of today will become the "knowns" of tomorrow. With this in mind, NHTSA deliberately avoided issuing Rules and instead took an approach designed to facilitate learning. We appreciate this approach and agree with the agency that a consistent, national policy is in the best interests of all stakeholders. For states wishing to promote the deployment of ADS-equipped vehicles, the key is having the right policy, at the right time, in the right place.

We do not believe that Senate Bill is that legislation.

Respectfully submitted,

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