



**Michigan
Senate Committee on Transportation
Testimony on Senate Bill 169
March 5, 2013**

Good morning, my name is Robert Strassburger and I am Vice President of Vehicle Safety and Harmonization at the Alliance of Automobile Manufacturers. The Alliance represents 12 of the world's leading car and light truck manufacturers. Our members include BMW Group, Chrysler Group LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi, Porsche, Toyota, Volkswagen Group of America and Volvo Cars North America. I appreciate the opportunity to be in front of the Committee today and express the Association's views on Senate Bill 169.

I want to start by acknowledging the Chairman and his staff and the Sponsor and his staff, as well as staff in the Governor's office, the Michigan Department of Transportation, and Secretary of State, for allowing the auto industry a voice in the development of this legislation. We appreciate the recognition given to the role auto manufacturers plays in this state. Providing just under 1.2 million jobs and over \$2.8 billion in total tax revenue to the state - which is about 13% of all taxes collected - the auto industry remains the cornerstone of the Michigan economy. As policymakers considering legislation that could affect auto manufacturers in this state, you must take care to protect against limitations that inhibit the continued growth of this important industry. We believe that the opportunity afforded to us to help shape this legislation before you today has resulted in a bill that protects public safety and fosters an environment for innovation, yet does not constrain the ongoing technological development being led by automakers.

While the idea of autonomous vehicles may still seem to some like a concept ripped out of the latest science fiction movie, within the industry the idea of using technology to produce ever safer and more fuel efficient vehicles is nothing new. We are continuing the efforts to re-invent the automobile. Current

driver assist systems and crash avoidance technologies are helping to pave the way for the automated vehicles of the future.

Automakers' impressive record on technological advancement is a result of a sustained commitment to research and development, traditionally ranking at the top of R&D funding lists for all industries – including computers and pharmaceuticals. In 2009, it is estimated that auto manufacturers devoted \$73 billion to research and development. And today's cars are cleaner, safer, less polluting, and more fuel efficient than ever because of these investments. Auto manufacturers' investment in these technologies have brought us to a place where semi-automated vehicle systems are commonplace in today's vehicles – stability controls, lane monitoring, self-parking systems – and fully automated vehicles are nothing more than the next step on the continuum.

Although the reality of fully automated vehicles has yet to occur, we appreciate public policy leaders examining the regulatory environment in which these technologies are being developed and making sure that there are no roadblocks to innovation. Primary amongst all of your duties is to protect the safety of the general public. Our companies are entrusted with the same responsibilities, which is why we support the safety measures laid out in this bill. Automated vehicles should have a means to engaging and disengaging the autonomous mode that is easily accessible to the driver or operator, a means of indicating to those in the vehicle which mode the vehicle is in - autonomous or traditional; and a means to alert the driver or operator of any detected technology failure that affects the ability of the vehicle to safely operate in autonomous mode so that the operator knows he or she must take over control of the vehicle. Our members already take careful precautions when testing new technologies. These provisions will ensure that any new company testing automated technology in this state will do so in a responsible manner and with limited risk to themselves and those around the vehicle.

While we appreciate the Committee's desire to foster a climate of innovation and further testing in Michigan for companies other than automakers to have access to the same license plates and testing capabilities that we utilize on a daily basis, the process by which these companies alter existing vehicles presents an area of great concern for auto manufacturers. The Alliance believes any bill to expand testing of automated technology must include a clear statement on liability. All motor vehicles offered for sale in the US must be certified as compliant with all applicable federal motor vehicle safety standards at the time of manufacture. If a certified vehicle is subsequently modified, it is the sole responsibility of the

modifying party to avoid taking the vehicle out of compliance. Auto manufacturers take great care to produce vehicles that are reliable, safe, and compliant, at the point of sale. Once that vehicle has been modified by an upfitter with non-OEM technology, automakers should not be liable for any malfunctions that occur as a result of the conversion. Clear liability language is a necessary part of any legislative effort to expand testing of automated vehicles.

Finally, it is important to remember the Alliance's members manufacture a product that is sold in every state in this country and in nations all across the globe. While we understand states' roles as laboratories of democracy, we are sensitive to the creation of a patchwork of rules and regulations – sometimes in direct conflict with each other – governing the vehicles we produce. The Alliance appreciates the recognition in this bill that if the National Highway Traffic Safety Administration promulgates regulations on autonomous vehicles, any areas of conflict will default to the federal standard. This is important to ensure a level of manufacturing certainty for automakers.

I appreciate your time today and the opportunity to speak on this important issue, and would welcome any questions.

Respectfully submitted,

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