

House Panel Approves Sweeping Proposal on Autonomous Vehicles, Putting Innovation Above Regulation

Mark T. Cramer, Eric Kennedy, and Daniel Arkof

On July 19, 2017, a U.S. House panel took a significant step to clear the way for autonomous vehicles by approving a proposal allowing automakers to deploy up to 100,000 self-driving vehicles without meeting existing safety standards. The proposal prevents states from passing laws to the contrary. The House committee is expected to vote on the measure next week, with the full House considering the issue in the fall.

Current federal law presents roadblocks for automakers working to bring autonomous vehicles to market. Automakers are required, for example, to comply with nearly 75 different safety standards, many of which were created with the assumption that a driver is behind the wheel and in control of the vehicle. As automakers move from that model toward full autonomy, legislators and regulators will need to pass laws or institute regulations permitting such advancements—or risk stifling innovation.

Under the proposed measure, automakers would have to submit safety assessment reports to federal regulators, but would not need to receive pre-market approval to sell self-driving cars. Deployment of autonomous vehicles would not be conditioned on review of safety assessment certifications. While states could still regulate registration, licensing, insurance, liability, education, training, and traffic laws, they could not set performance standards for such vehicles, including any regulations on construction, design, software, or communication.

The new measure has drawn mixed reactions. California state assemblyman Freddie Rodriguez believes the states should be responsible for establishing safety standards. Safety advocacy groups object to the perceived weakening of federal safety standards and preclusion of states' ability to protect their citizens. Supporters of the proposal see it as safe, efficient, and necessary.

From an economic standpoint, the United States is at a critical crossroads in establishing whether it will be the global leader in the autonomous vehicle industry. "Automated vehicles are going to be developed, whether we like it or not," stated U.S. Rep. Debbie Dingell, D-Dearborn. "The question is whether the U.S. will remain in the driver's seat, as to China, Japan or even the EU, who are also making serious investments in this space." Dingell explained that promoting the high-tech jobs, manufacturing, and research and development associated with autonomous vehicles requires a strong but flexible regulatory framework that prioritizes safety.

From a safety standpoint, autonomous vehicles promise a significant improvement over driver-operated vehicles. In the United States, road deaths in 2015 increased 7.7 percent over the preceding year to

35,200. In 2016, around 40,000 people died in car accidents in the United States. "Connected cars promise to significantly reduce such fatalities," stated Acting FTC Chairman Maureen K. Ohlhausen at a connected cars workshop in Washington D.C. last month.

The House measure makes it easier to bring autonomous vehicles to market by allowing automakers to avoid the patchwork of differing state laws that can cause confusion and inconsistency and delay implementation. The American Center for Mobility's President and CEO, John Maddox, points out: "If a vehicle had to stop operating in autonomous mode when it gets to the border of a state, that would be bad for transportation."

The issues underpinning potential autonomous vehicle regulations cross state and international lines. If the House panel's proposal is implemented in some form this year, the measure could be the catalyst for the United States to be the global innovator and leader in the autonomous vehicle industry for decades to come.

If you have any questions, please contact any of the Buchalter attorneys listed below.



Mark T. Cramer is a Shareholder in the Firm's Los Angeles office. He can be reached at 213.891.5067 or mrcramer@buchalter.com.



Eric Kennedy is a Shareholder in the Firm's Los Angeles office. He can be reached at 213.891.5051 or ekennedy@buchalter.com.



Daniel Arkof is an Attorney in the Firm's Los Angeles office. He can be reached at 213.891.5208 or darkof@buchalter.com.