



Statement of American Car Rental Association

to the

House Energy and Commerce Committee's

Subcommittee on Digital Commerce and Consumer Protection

Hearing on

"Self-Driving Cars: Levels of Automation"

March 28, 2017

The American Car Rental Association (ACRA) respectfully submits this statement for the record of the House Energy and Commerce Committee's Subcommittee on Digital Commerce and Consumer Protection's hearing on "Self-Driving Cars: Levels of Automation" on Tuesday, March 28, 2017.

ACRA is the national representative for over 98% of our nation's car rental industry. ACRA's membership is comprised of over 300 car rental companies, including all of the brands you would recognize such as Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National and Thrifty. ACRA members also include many system licensees and franchisees mid-size, regional and independent car rental companies as well as smaller, "mom & pop" operators. ACRA members have over two million registered vehicles in service, with fleets ranging in size from one million cars to ten cars.

ACRA's members strongly support the development and gradual deployment of "Highly Automated Vehicles" (HAVs) to improve transportation safety and reduce property damage and personal injury and deaths associated with vehicle accidents. However, the introduction of HAVs is a complex technical and public policy challenge. This challenge will require policymakers to address and incorporate existing safety, consumer protection, privacy and liability issues into a changing vehicle populations that includes HAVs -- while at the same time maintaining flexibility to accommodate new and evolving legal issues unique to HAVs that may not be apparent today.

The members of the American Car Rental Association (ACRA) purchase one out of every nine new cars sold in the United States each year – almost 2 million vehicles in 2016. To the extent that HAVs are introduced into the private passenger motor vehicle fleet in the next decade, ACRA

members will be at the forefront of HAV deployment and on the front lines of the education of car rental customers with respect to interacting with HAVs safely.

The Promise and Challenges of Autonomous Vehicles – The widespread introduction of HAVs promises to reduce the number of deaths (about 40,000/year in the United States) and injuries (hundreds of thousands every year in the United States) caused by motor vehicle accidents – over 90 percent of which are caused by human error. But this promise is not without challenges in many complex areas, including thorny public policy issues that have been debated by many interested parties for decades, including:

- **Liability** – Federal and State liability statutes generally hold the driver of a motor vehicle liable for injuries and property damage caused by that driver’s negligence. With respect to HAVs, there is no “driver” per se and thus determining responsibility for injuries and other harm become problematic. Federal and State policymakers should consider assigning liability for accidents caused by HAVs to the entities most capable of addressing design and functionality shortcomings in HAVS – in most cases, the vehicle and software designers and manufacturers, rather than the humans occupying the vehicle or the fleet owners.
- **Ownership of Motor Vehicles** – As we move towards an era of widespread HAV deployment, our notions of motor vehicle ownership likely will undergo a revolutionary change. Instead of owning our personal automobile, or renting a minivan for a family vacation, or boarding a bus for a ride to school, or hailing a taxi – all of these activities may be undertaken with different types of HAVs which may or may not be owned by an individual, a school district, or a fleet operator. Resolving vehicle ownership issues, including maintenance, accident reporting, data recording and sharing, and other heretofore unaddressed issues with respect to HAVs will need to be discussed and resolved.
- **Taxes and Fees** – HAVs hold the promise of eliminating distinctions between rental cars, taxis, ride-hailing services and individual motor vehicle ownership. With the introduction of HAVs, responsibilities must be apportioned for paying Federal and State motor fuel excise taxes, State and Local fees on car rentals, ride-hailing services and taxis, and State and Local vehicle registration and sales taxes.
- **Harmonization** – The customers of ACRA members cross state lines in their current rental cars without restrictions and likely will anticipate the ability to do the same with respect to HAVs rented from ACRA members. As a result, a myriad of complex and perhaps contradictory State laws or regulations with respect to technical, safety or operational standards for HAVs should be avoided wherever possible. Continued State regulation of HAVs in traditional areas such as licensing, registration and insurance requirements would not in most instances pose impediments to the introduction of HAVs in ACRA’s opinion.
- **Privacy** – Federal and State regulators have started to wrestle with the difficult challenges of maintaining individual privacy with respect to data generated by today’s increasingly complex and technologically advanced motor vehicles and promoting transportation safety and enforcement of Federal and State laws. Such thorny privacy issues will only be multiplied with HAVs, and ACRA urges policymakers to preserve the right of vehicle owners to control and own the data generated by HAVs.

- **Cybersecurity** – The increased automation of motor vehicles, leading ultimately to deployment of HAVs, heightens the risk of cyber-attacks on single cars or groups of vehicles. Such risks must be managed by vehicle manufacturers and designers. However, the same technology that opens HAVs to cyber-attacks may hold the promise of reducing motor vehicle theft and other crimes involving vehicles. The cybersecurity issues related to HAVs must be balanced between protection of the vehicle’s occupants and aiding law enforcement agencies in crime prevention and the apprehension of criminals.

Thank you for the opportunity to present this statement for the record at this hearing. ACRA stands ready to work with the members of the Subcommittee and all State and Federal legislators and regulators, as well as the many stakeholders interested in the development and introduction of HAVs, in the months and years ahead.

Please contact Greg Scott with questions regarding ACRA’s HAV development and deployment positions at 202-297-5123 or gscott@merevir.com.