



Statement of American Car Rental Association

to the

House Energy and Commerce Committee's

Hearing on

"Self-Driving Vehicle Legislation"

June 27, 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 hearing on "Self-Driving Vehicle Legislation" on Tuesday, June 27, 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 well over 1.3 million cars to ten cars.

ACRA's members strongly support the development, testing, and gradual deployment of "Highly Automated Vehicles" (HAVs) to improve transportation safety, as well as to reduce personal injury and deaths and property damage associated with vehicle accidents. However, the introduction of HAVs presents a complex technical and public policy challenge. As part of this challenge, policymakers must adapt existing safety, consumer protection, privacy, cybersecurity, and liability principles to reflect a changing vehicle population that includes HAVs -- while at the same time maintaining flexibility to address new and evolving legal issues unique to HAVs that may not be apparent today.

The members of 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 consumer education about HAVs.

ACRA respectfully submits the following comments on the Staff Discussion Drafts for HAV legislation:

1. LEAD'R Act – ACRA generally supports federal pre-emption of the regulation of the development, testing, and deployment of HAVs and their components with respect to safety standards and recall procedures. Traditional areas of state regulation – insurance, liability, licensing and vehicle registration – should be respected in federal HAV legislation, to the extent possible. However, while states currently regulate drivers and operators of most motor vehicles, this traditional state role likely must shift when the vehicle itself becomes the “operator” or “driver” in the context of an HAV.

ACRA also supports federal pre-emption with respect to vehicle ownership issues and ownership and control of personal information and vehicle-generated data associated with HAVs. Federal legislation must clarify that vehicle owners, not hardware or software manufacturers, own the information and data that is recorded, transmitted or otherwise generated by HAVs and that this information may be accessed by third parties, including hardware and software manufacturers, only: (a) through informed and express consent of the vehicle owner; or, (b) if the information has been “sanitized” of personal information for safety purposes (law enforcement or insurance) or traffic safety research.

2. PAVE Act – ACRA is neutral with respect to this draft bill.
3. ROAD Act – ACRA is neutral with respect to this draft bill.
4. EXEMPT Act – ACRA is neutral with respect to this draft bill.
5. MORE Act – ACRA does not oppose this draft bill, but suggests that it would be prudent and demonstrate foresight if car rental companies -- which are likely to be among the early fleet owners of HAVs -- are added to the list of entities permitted to test HAVs.
6. INFORM Act – ACRA is neutral with respect to this draft bill.
7. Disability Mobility FACA – Given that ACRA members currently collectively purchase over 10 percent of all new vehicles each year and thus will be at the forefront of HAV deployment in the coming decades, it would be prudent for a representative of the car rental industry be added to the list of required members of the FACA created by this draft bill. With such an addition, ACRA would support this draft bill.
8. Seniors/Underserved Mobility Access FACA – Given that ACRA members currently collectively purchase over 10 percent of all new vehicles each year and thus will be at the forefront of HAV deployment in the coming decades, it would be prudent for a representative of the car rental industry be added to the list of required members of the FACA created by this draft bill. With such an addition, ACRA would support this draft bill.

9. Cybersecurity FACA – Given that ACRA members currently collectively purchase over 10 percent of all new vehicles each year and thus will be at the forefront of HAV deployment in the coming decades, it would be prudent for a representative of the car rental industry be added to the list of required members of the FACA created by this draft bill. With such an addition, ACRA would support this draft bill.
10. SHARES Act – This draft bill appears to conclude – erroneously in ACRA’s view -- that only HAV manufacturers will be testing HAVs and thus will be the only entities to possess information regarding testing events generated by HAVs. ACRA suggests that the scope of the entities covered by this bill be expanded to include entities other than manufacturers, including car rental companies. Many non-manufacturer vehicles owners, including car rental companies, likely will test HAVs in the coming years and will have ownership and control of, and should have access to, this data as HAVs are tested and deployed.

Given that ACRA members currently collectively purchase over 10 percent of all new vehicles each year and thus will be at the forefront of HAV deployment in the coming decades, it would be prudent for a representative of the car rental industry be added to the list of required members of the FACA created by this draft bill. With such an addition and the expansion of coverage of the bill to include all HAV owners, ACRA would support this draft bill.

11. HAV PROMPT Act – ACRA is neutral with respect to this draft bill, but notes that it is not yet clear whether NHTSA should be prohibited from both pre-market assurance and pre-market approval processes with respect to HAVs. The existing self-certification procedures applicable to current motor vehicles may not be appropriate with respect to HAVs, given that a malfunction of virtually any system in an HAV likely will lead to accidents, property damage and potentially injuries. As a result, HAVs may require greater NHTSA oversight and testing than current motor vehicles.
12. GUARD Act – Again, this draft bill concludes that only “manufacturers or equipment manufacturers of” HAVs will have access to information regarding the testing or performance of HAVs. ACRA suggests that the entities covered by the confidential business information protections of this draft bill be expanded to any and all entities, including car rental companies, who may voluntarily submit, or be required to submit, CBI to NHTSA.
13. MEMO Act – ACRA strongly supports the negotiation and execution of a Memorandum of Understanding between the FTC and NHTSA with respect to privacy and cybersecurity. ACRA suggests that this MOU be subject to public notice and comment.
14. DECAL Act – ACRA does not oppose this draft bill as written, but submits that such a label on a new vehicle is not sufficient to inform an HAV owner or user of how to operate the HAV and a manufacturer should not be permitted to rely on such a label to inform and educate HAV owners and users as a guard against strict liability or negligence actions under state laws.

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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 Committee 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.