



February 1, 2023

The Honorable Gus Bilirakis
Chairman
Subcommittee on Innovation, Data, and
Commerce
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jan Schakowsky
Ranking Member
Subcommittee on Innovation, Data, and
Commerce
House Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Bilirakis and Ranking Member Schakowsky,

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”), I appreciate your attention to preserving and enhancing U.S. competitiveness. The global auto industry is undergoing a generational transformation and the next decade may well define which nations shape the future of automotive innovation and manufacturing. Amid intense global competition, we must work collaboratively to support the development, commercialization, and acceptance of the innovative technologies that will redefine motor vehicle transportation for decades.

Auto Innovators was formed in 2020 to serve as the singular, authoritative, and respected voice of the automotive industry in the United States. Our members represent the full automotive industry, from the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers. As the nation’s largest manufacturing sector, the automotive industry is responsible for nearly 10 million U.S. jobs and represents 5.5 percent of the country’s gross domestic product.

Leadership in automotive technology and manufacturing has underpinned a century of U.S. economic growth. As we look to the future, however, the industry’s economic footprint will be defined by our leadership, acceptance and integration of the innovative technologies - including electrification, automation and connectivity - that will shape the future of our industry. It is no longer a question of when these technologies will prosper. Rather, it’s a question of where - and nations around the world are moving aggressively to lead, and define, the next generation of personal mobility.

One area of innovation at the center of this global competition to define the future of the auto industry is autonomous vehicles (AVs). The U.S. has long been a leader in the advancement of AV technologies, placing it at the forefront of innovations that will transform personal mobility, transportation, and the movement of goods. At their core, AVs are safety technology. This could not be more critical following multiple years of increased fatalities on American roads - reversing decades of decline. Of all automotive innovations and technologies, AVs offer the greatest opportunity to reduce the number of tragedies on our roadways.

While safety remains a core principle in the need for and development of AVs these technologies have more to offer beyond safer streets. For example, they have the potential to provide life-changing

opportunities for those who are not adequately served by existing mobility options, such as seniors, persons with disabilities, and those who require accessible transportation. As demonstrated during the COVID-19 pandemic, AVs also offer new transportation and delivery solutions to communities and individuals in need.¹ And they open the door to new possibilities for reducing congestion and improving the environment, as well as opportunities to create more efficient, worker-friendly supply chains.

As a global leader in the development of AV technologies, the U.S. has the opportunity to drive AV innovation. In December 2022, Auto Innovators released a [comprehensive report](#) on the AV industry in the U.S. which documents 84 AV companies operating in 120 cities across 30 states.² This includes nearly 170 on-road autonomous technology programs operating throughout the U.S. These programs further research and validation of key technologies, bringing with it not only technological leadership, but jobs, investment, tax revenue and local economic growth.

As these technologies mature, however, the nation needs updated federal regulations and a pathway to scale their development with appropriate oversight in order to realize many of the promises of this technology. That is why a responsible federal framework for the safe development, testing and deployment of AVs in the United States is so important. Consistent with the Department of Transportation's principles for innovation, this will help to preserve U.S. leadership in these potentially life-saving and life-changing technologies and ensure U.S. innovations benefit the traveling public and our economy for decades to come.

Other nations - in particular China and European Union - are not throwing in the towel and waiting for U.S. leadership on AVs. Quite the contrary; they are supporting the development of this new industry, regulating AVs, and seeking to become the global center of AV development and deployment. In particular, China is moving quickly to advance their national progress in developing AV technologies and three of the seven AV developers approved for testing in California are Chinese companies.

As we have witnessed in other technologies and sectors, the nations that lead the development of AVs will guide the development of international standards, control supply chains, and define international markets. With a technology like AVs, the implications will be felt far beyond transportation. For example, AVs are directly tied to the development of artificial intelligence systems. As noted in a recent report by CSIS:

The AV sector is a critical lynchpin to U.S. leadership in Artificial Intelligence (AI). In 2019, the AV industry led all other AI sectors as a destination for global investment. As autonomous vehicles (AVs) move toward commercialization, the regulatory environment can be a source of advantage. Yet, in the global AV race, Beijing currently holds the regulatory advantage due to its commitment to being a first-mover in AI and AV, giving

¹ See e.g., Jane Lanhee Lee, Nathan Frandino, *Reuters*, "Self-driving vehicles get in on the delivery scene amid COVID-19," (April 29, 2020) available at <https://www.reuters.com/article/us-health-coronavirus-self-driving-deliv/self-driving-vehicles-get-in-on-the-delivery-scene-amid-covid-19-idUSKBN22B2LZ>.

² <https://www.autosinnovate.org/posts/papers-reports/AV%20Report.pdf>

Chinese companies more freedom to test vehicles and collect valuable data. In order to compete with China, the United States must adopt a regulatory framework that allows space for US companies to continue to gather additional data of their own that can be used to innovate and keep pace with competitors.³

This is not simply a question, therefore, of global or economic competitiveness. It is about defining the future of this technology - and associated infrastructure - in a manner that emphasizes safety, responsibility, and opportunity for more citizens to benefit from this transformative shift in mobility.

The U.S. is well positioned to continue its long-standing leadership in automotive innovation, however, in the face of clear global competition, we cannot be complacent. To foster the safe and responsible deployment of AVs in the U.S., the U.S. DOT needs to accelerate efforts to update existing motor vehicle safety standards to accommodate AVs and use its existing authority to grant targeted exemptions to AV companies that have demonstrated safety equivalence. In addition, in December 2020 Auto Innovators released the *AV Policy Roadmap* which includes fourteen specific recommendations that can be implemented by federal policymakers over the coming years to facilitate the near-term testing and deployment of AVs at scale.⁴ These recommendations are focused on reforming regulations, harmonizing policies, and laying the foundation to achieve longer-term objectives - including expanding the number of exemptions that U.S. DOT can provide on a case-by-case basis - with safety oversight and full enforcement powers - which can then provide the data necessary to support future Federal Motor Vehicle Safety Standards for AVs.

We are approaching a pivotal moment in the evolution of this technology and have an opportunity to work collaboratively to chart a course that sustains U.S. leadership and innovation in these critical safety and mobility solutions for decades to come. It is not just about the future of the auto industry - it is about the nation's global competitiveness and economic security. We look forward to continuing to work with you and your colleagues in Congress, as well as the Administration and other stakeholders, to realize the benefits of a safer, more environmentally friendly, accessible, and equitable U.S. transportation future.

Sincerely,



John Bozzella
President & CEO
Alliance for Automotive Innovation

³ <https://www.csis.org/analysis/ai-strategies-and-autonomous-vehicles-development>

⁴ <https://www.autosinnovate.org/innovation/AVRoadmap.pdf>