Motor & Equipment Manufacturers Association

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Subcommittee on Commerce, Manufacturing and Trade

"NHTSA Oversight"

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Introduction

Chairman Burgess, Ranking Member Schakowsky, members of the Subcommittee: Thank you for the invitation to testify before you on the implementation of provisions in the FAST Act.

The Motor & Equipment Manufacturers Association (MEMA) represents vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks providing original equipment (OE) to new vehicles as well as aftermarket parts to service, maintain and repair over 256 million vehicles on the road today. Suppliers are the largest employers of manufacturing jobs in the U.S. directly employing over 734,000 Americans with a total employment impact of 3.6 million jobs.

Our members lead the way in developing advanced, transformative technologies that enable safer, smarter and more efficient vehicles, all within a rapidly growing global marketplace. Ultimately, about two-thirds of the value of today's vehicles come from suppliers. Suppliers work closely with vehicle manufacturers to provide cutting edge, innovative systems and components for new vehicles. MEMA represents vehicle suppliers through the following four divisions: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and Original Equipment Suppliers Association (OESA).

Vehicle Safety Today

Vehicle suppliers are dedicated to vehicle safety with the design and manufacturing of their components and systems. To fully appreciate the state of vehicle safety today, one only needs to look at the data. In 2015, the National Highway Traffic Safety Administration (NHTSA) issued a report that analyzed over 50 years of crash data and estimated that approximately 613,501 lives have been saved by vehicle safety technologies and associated Federal Motor Vehicle









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Safety Standards (FMVSS).¹ Additionally, a recent Insurance Institute for Highway Safety (IIHS) report noted that "the chances of dying in a crash in a late model vehicle have fallen by more than a third in three years ... Among 2011 models, a record nine vehicles have driver death rates of zero."² According to the IIHS, newer vehicles are even safer. Over the past three years, recent model year vehicles have demonstrated significant improvements in safety. "There were 7,700 fewer driver deaths in 2012 alone than there would have been had vehicles remained the same since 1985."³ The most influential safety factors are improvements to vehicle structural design and advanced vehicle technologies.

Today, there are many advanced safety features available in the vehicle marketplace ranging from passive to active systems that either warn, aid and/or assist a driver in order to avoid or mitigate vehicle crashes. These advanced technologies have foundational systems upon which the more complex systems are built. These technologies are mature, affordable and effective. When these crash avoidance and mitigation technologies are combined with decades of improved crashworthiness features, the U.S. has seen an overall reduction in fatalities, injuries and property damage claims.

Despite these marked improvements to vehicle safety, there are still over 32,000 fatalities and 2.3 million injuries on our nation's roads annually.⁴ According to NHTSA, 94 percent of these crashes are caused by driver error.⁵ For this reason, suppliers are continually innovating and developing components and systems for motor vehicles that will reduce the risk of collisions.

Advanced Driver Assistance Systems (ADAS) and the Impact on Safety

In 2015, MEMA and the Boston Consulting Group (BCG) released a report exploring the safety benefits of Advanced Driver Assistance System (ADAS) technologies. During Congress' consideration of the "Fixing America's Surface Transportation Act" (FAST Act) last year, MEMA testified before this Committee that ADAS technologies, often referred to as crash avoidance technologies, can provide immediate safety benefits and form the pathway to a partially and fully automated vehicle fleet that could virtually eliminate traffic fatalities. The study found that a suite of ADAS technologies has the potential to prevent 30 percent of all crashes – a total of 10,000 lives saved annually.⁶ A complete copy of the MEMA study is included with this testimony.

¹ NHTSA, "Lives Saved by Vehicle Safety Technologies and Associated Federal Motor Vehicle Safety Standards, 1960 to 2012: Passenger Cars and LTVs" <u>DOT HS 812 069</u>, January 2015.

² IIHS, Status Report article "Saving Lives," Vol. 50, No. 1, Jan. 29, 2015.

³ Ibid.

⁴ NHTSA, Traffic Safety Facts "2014 Motor Vehicle Crashes: Overview," <u>DOT HS 812 246</u>, page 1, March 2016.

⁵ NHTSA, Traffic Safety Facts "Critical Reasons for Crashes Investigated in the National Motor Vehicle Crash Causation Survey," <u>DOT HS 812 115</u>, page 1, February 2015.

⁶ MEMA and BCG, "<u>A Roadmap to Safer Driving Through Advanced Driver Assistance Systems</u>," page 2, September 2015.

However, according to the MEMA study, relatively few vehicles on the road today have ADAS technologies, and the market penetration is only growing at about two to five percent annually. Since driver error is by far the leading factor in motor vehicle crashes, the lack of widespread adoption of these technologies in the U.S. fleet is a significant missed opportunity to reduce fatalities and injuries.

<u>Implementation of "Safety Through Informed Consumers Act"</u>

For several years, MEMA has advocated for upgrading and enhancing NHTSA's New Car Assessment Program (NCAP) – a voluntary, non-regulatory program – to include ADAS technologies and to make information more readily available to consumers because the greatest safety gains will be a direct result from "widespread application of crash avoidance technologies." Congress recognized the importance of ADAS technologies with the enactment of the FAST Act, directing NHTSA to "ensure that crash avoidance information is indicated next to crashworthiness information" on new vehicle window stickers. In addition, The agency has one year to promulgate a rulemaking to revise the sticker, also known as the Monroney label. The vehicle sticker is one of the key ways to educate consumers not only about a vehicle's crash ratings, but also about what safety technologies are on it.

Shortly after passage of the FAST Act, NHTSA announced its envisioned upgrades to the voluntary NCAP 5-Star Ratings beginning with MY2019 vehicles. The purpose of the enhancements is to expand the Program beyond crashworthiness by including, for the first time, crash avoidance and mitigation technologies and pedestrian safety.

MEMA commends NHTSA for taking this major stride to enhance and expand the NCAP categories and ratings. Collaboration between the government, vehicle manufacturers, suppliers, safety advocates and other stakeholders is key to the success of such a significant evolution in the Program. Even though the NCAP is a voluntary, non-regulatory program, it has a substantial and direct impact on how automakers and suppliers design future vehicles and plan for emerging technologies that will significantly enhance vehicle safety and performance.

An enhanced NCAP 5-Star Rating, along with increased consumer awareness on the vehicle sticker, will help improve and accelerate consumer acceptance and take-rates and ultimately reduce the cost of these life-saving technologies. However, MEMA is concerned that some of the automakers objections to major aspects of the Program's proposed upgrades (e.g. crashworthiness/new dummies) may be used as an excuse to delay overall progress of an enhanced NCAP package.

⁷ 80 Fed. Reg. at 78550

⁸ Public Law No: 114-94, Title XXIV, Subtitle C, Part II, Section 24321, Dec. 4, 2015.

Other Means to Improve Safety

There are a variety of tactics that can be utilized by policymakers and industry to achieve the overarching goal of reducing crashes by getting key safety technologies on vehicles.

For example, on March 17, NHTSA announced a commitment with 20 automakers to make Automatic Emergency Braking (AEB) technology standard equipment in almost all light-duty vehicles by the year 2022 (with some exceptions). To communicate automakers' progress, starting in 2017, vehicle manufacturers will submit annual reports to NHTSA (by Oct 31) showing figures on the proportion of vehicles manufactured for sale equipped with AEB.

NHTSA utilized this voluntary agreement as a way to accelerate, beyond typical rulemaking timelines, the installation of AEB on new vehicles. The agency estimated that this process is three years shorter than if it were to conduct a full rulemaking. MEMA believes this approach is another positive step toward increasing acceptance and adoption of AEB — one of many ADAS technologies — and we support the idea of using other appropriate methods in order to get widespread deployment of safety technologies. As such, MEMA supports this government-industry commitment to expand the installation of this critical safety technology.

Nonetheless, MEMA does have some reservations about voluntary agreements and will continue to work with NHTSA on this important issue.

Additionally, MEMA strongly believes another key element to the expansion of ADAS technology and the reduction of motor vehicle fatalities is the development of future regulations with our global counterparts, most notably the European Union. Automakers and suppliers are global companies; harmonization is essential. By aligning and collaborating, we could concurrently develop regulations – under our respective frameworks – standards and guidelines that meet common safety objectives using the same test protocols and equipment. These efforts do not equate to a lower standard of safety. Rather, a strong harmonized system can provide an opportunity to address new safety technologies in a transparent and efficient manner.

For example, aligning test procedures and equipment reduces or eliminates unnecessary burdens and duplicative resources and costs not only for industry, but also for government regulators and third-party testing labs. Standardizing these procedures and equipment gives all stakeholders a common, consistent objective that allows for improved certainty that benefits future product research, development and planning. Moreover, when these processes can be streamlined, it further enhances industry innovation and speeds technology advancement.

⁹ Per the terms of the commitment agreement, at a minimum, automakers must include Forward Collision Warning and Collision Imminent Braking systems on vehicles.

<u>Implementing Motor Carrier Safety "Beyond Compliance"</u>

Finally, during congressional consideration of the FAST Act, MEMA advocated for language to require the Federal Motor Carrier Safety Administration (FMCSA) to include incentives giving fleets credit to their "Compliance, Safety, Accountability" scores for going beyond the minimum regulatory requirements for driver training, driver management systems, maintenance strategies and safety equipment. The FAST Act requires the FMCSA to implement the "Beyond Compliance" program within 18 months of enactment. In preparation for implementation, FMCSA has already hosted some public listening sessions and opened a docket for comments and feedback. MEMA provided comments and recommendations to FMCSA and will continue to actively engage them to ensure that advanced safety technology is included in their "Beyond Compliance" program.

Conclusion

The members of MEMA are committed to motor vehicle safety. New vehicle technologies can greatly prevent accidents and reduce serious injuries and fatalities – technologies that are available today. As the automotive industry moves forward with increased collaboration with regulators, we believe that NHTSA's use of the NCAP program, voluntary agreements, and rulemaking has the potential to address many of our current challenges. MEMA also urges the agency to actively engage in the harmonization of new regulations that could speed the completion of testing standards and regulations.

MEMA applauds the Committee's commitment to motor vehicle safety by updating the NCAP program and providing greater access to safety technology for consumers and trucking fleets. We appreciate this opportunity to testify before you and will be happy to answer your questions.

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¹⁰ Public Law No: 114-94, Title V, Subtitle B, Part II, Section 5222, Dec. 4, 2015.