

May 2, 2024

Senator Anna Caballero Chair, Senate Appropriations Committee State Capitol, Room 412 Sacramento, California 95814

RE: Senate Bill 915 (Cortese, 2024): OPPOSE

## Dear Chair Caballero:

The undersigned organizations write to express strong opposition to SB 915, which would allow each municipality in California to enact their own ordinances to regulate an "autonomous vehicle service" that has been already approved by the California DMV and CPUC. In doing so, SB 915 would permit cities to effectively ban autonomous vehicles ("AV") commercial deployment, preventing Californians from being able to realize the safety and accessibility benefits that AVs promise. SB 915 is also expected to impose strain on the state's financial resources, as cities are

unlikely to have the necessary resources or expertise required to implement such an ordinance without consulting expert state regulators. Moreover, if SB 915 were to be enacted into law, the loss of revenue resulting from approved AV services being unable to operate would be detrimental to California's economy.

Autonomous vehicles are making our roads safer, boosting supply chain efficiency, and creating new, high-quality career opportunities for California workers. As explained further below, SB 915 would undermine the ability of California's state authorities to regulate AVs, who have invested substantial state resources in carefully developing and administering AV regulations, while adding no benefit to safety and undermining accessibility for Californians.

SB 915 would divert financial resources from state agencies and result in significant loss of revenue brought by the AV industry. To enact an AV ordinance in accordance with SB 915's requirements, a municipality would need to develop a "policy for entry" for AV commercial services that would require more expertise in AV regulation than cities currently have. Cities are unlikely to have existing resources to develop the expertise needed, and may therefore consult with the Department of Motor Vehicles ("DMV") and the California Public Utilities Commission ("CPUC"), each of which have spent years regulating AV operation on California roads. SB 915 would create significant strain on state agency resources, while reducing the effectiveness of their decision-making in approving AV permits.

Additionally, the loss of revenue to the state of California resulting from SB 915 would be substantial. A patchwork of AV ordinances implemented across California would prevent AV companies—including companies already established in the state—from investing in and scaling operations in California. Given the vast economic benefits AVs are currently bringing and would continue to bring in the future, SB 915 threatens to cut off this important revenue stream.

SB 915 would not increase safety on California roads. The National Highway Traffic Safety Administration ("NHTSA") estimates that nearly 43,000 traffic deaths occurred in 2022—approximately 100 fatalities per day. In California alone, more than 4,400 lives were lost in motor vehicle crashes in 2022. SB 915 would create a roadblock to transformational technology that will improve the unacceptable safety status quo by creating an additional barrier to entry *unrelated to safety*, placing cities in the position of picking winners and losers irrespective of the safety determinations made by California's expert regulators.

SB 915 would nullify the decisions of California's experienced state regulators. Under California's comprehensive statutory and regulatory AV frameworks, the DMV has established robust regulations for the testing and deployment of AVs, imposing a range of obligations, including incident reporting requirements. The DMV issues permits to AV companies based on the agency's experience regulating vehicle safety and operation, and the Department has authority to suspend and revoke such permits upon determining an AV is not safe for operation on public roads. Moreover, the CPUC has established an additional layer of regulatory

requirements for AV passenger services pursuant to its authority to regulate transportation network companies ("TNCs"). The CPUC has established four AV programs that, among other obligations, require AV passenger services to submit passenger safety plans and extensive trip-level information as part of their authorizations. These state regulatory frameworks are designed to adapt to the AV industry as it matures, and processes to establish and update the respective rules for AVs provide significant opportunities for public participation. SB 915 would throw away the decade of experience these agencies have spent regulating AVs by preventing an AV service that has been approved by the DMV and CPUC from operating in a city with an ordinance established under SB 915 that is onerous or inconsistent with other local ordinances.

## SB 915 would prevent unified AV operations and block mobility options for Californians.

The enactment of SB 915 would permit cities to effectively prohibit AV commercial operations. Any reasonable permit programs that are created will likely impose inconsistent requirements. At best, SB 915 threatens to create a small patchwork of local ordinances that blocks mobility options for all Californians. Those who stand to benefit the most from expanded AV services—including residents with disabilities, the elderly, those living in food and transit deserts, small businesses, farmers, and manufacturers needing to move goods—will not see the technology's benefits if their local government enacts an ordinance that effectively bars AVs from operating in that jurisdiction, either because it is inconsistent with neighboring jurisdictions or unnecessarily restrictive. Additionally, with a patchwork of local ordinances, companies approved to operate in California would be further discouraged from investing the considerable time and resources needed to comply with potentially inconsistent requirements.

Impeding AV operations would have a disproportionately negative effect on California residents with mobility challenges. The U.S. Department of Transportation estimates that some 25.5 million Americans have travel-limiting disabilities, with another study finding that roughly 560,000 people with disabilities never leave their homes due to transportation difficulties. Often these difficulties stem from a lack of accessible or convenient public transportation or an inability to operate their own vehicle, as is the case for the over 7.8 million Americans reported to have a visual disability. The lack of transportation access can translate to having trouble getting and keeping a job—only 17.5% of people with disabilities are employed, compared to 65% of people without a disability. Fortunately, AVs are well positioned to expand access to the world for millions of Americans with mobility challenges, including residents across California. AVs, operating on their own or as part of existing paratransit programs, will allow individuals with disabilities to access resources and jobs with greater ease, reaping economic and social

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<sup>&</sup>lt;sup>1</sup> U.S. Dep't of Transp., Accessibility, (July 29, 2020) https://www.transportation.gov/accessibility.

<sup>&</sup>lt;sup>2</sup> Bureau of Transp. Stat., *Transportation Difficulties Keep Over Half a Million Disabled at Home* (Nov. 21, 2012), <a href="https://www.bts.gov/archive/publications/special\_reports\_and\_issue\_briefs/issue\_briefs/number\_03/entire">https://www.bts.gov/archive/publications/special\_reports\_and\_issue\_briefs/issue\_briefs/number\_03/entire</a>

<sup>&</sup>lt;sup>3</sup> Blindness Statistics, National Federation of the Blind, <a href="https://nfb.org/resources/blindness-statistics">https://nfb.org/resources/blindness-statistics</a> (last visited February 7, 2024).

<sup>&</sup>lt;sup>4</sup> Economic News Release, U.S. Bureau of Labor Stat., Persons with a Disability: Labor Force Characteristics Summary(Feb. 24, 2021), <a href="https://www.bls.gov/news.release/disabl.nr0.htm">https://www.bls.gov/news.release/disabl.nr0.htm</a>.

benefits that were previously hard to achieve. However, cross-jurisdiction operation is foundational to AVs being able to provide such benefits.

AVs will create new, high-quality jobs while avoiding displacement of current drivers. In addition to enhancing safety on our roadways and increasing mobility, the AV industry is currently leveraging the existing workforce to create new roles for all education and skill levels. Many of the jobs created do not require a college degree, such as service technicians, remote assistance operators, mapping data collectors, delivery packers, and more. According to one study, the wider deployment of AVs can create over seven million new jobs by 2035, all while expanding access to affordable delivery services. In particular, those with experience in the trucking industry, particularly as truck drivers, will continue to offer valuable skills to AV trucking employers. California's truck drivers and autonomous truck drivers will coexist and thrive together. According to federal government data, the U.S. must move 50% more freight by 2050. That is happening against a backdrop of a severe truck driver shortage of 78,000 that is estimated to double by 2031. California must find a way to move *more* freight with *fewer* people to do it, and autonomous trucks are one of the potential solutions to this challenge that will exist along with truck drivers.

Autonomous vehicle services will usher in a new era of mobility that makes California's transportation system safer, more efficient, and more accessible, while bringing substantial economic benefits to the state. We strongly believe California should continue to support safety-enhancing policies without foreclosing a future with autonomous vehicles. For the reasons described above, we respectfully strongly oppose SB 915.

## Sincerely,

Autonomous Vehicle Industry Association (AVIA)
ACES Mobility Coalition
Alliance for Automotive Innovation
Aurora
AUVSI
Bay Area Council
California Alliance for Freight Innovation
California Asian Pacific Chamber of Commerce
California Chamber of Commerce
California Delivery Association
California Hispanic Chambers of Commerce
California Manufacturers & Technology Association (CMTA)

<sup>5</sup> Steer, Economic Impacts of Autonomous Delivery Services in the U.S. xi (2020), https://www.steergroup.com/sites/default/files/2020-09/200910 %20Nuro Final Report Public.pdf.

Campbell Chamber of Commerce

Central City Association of Los Angeles

Central Valley Yemen Society

Chamber of Progress

Chamber San Mateo County

Coalition of California Chambers – Orange County

Coalition of Small & Disabled Veteran Businesses

Consumer Technology Association

Daimler Truck North America

Drew Boyles, Mayor, City of El Segundo

Einride

**Endless Pursuit Corporation** 

Family Business Association of California

Flasher Barricade Association

Foster City Chamber of Commerce

Fremont Chamber of Commerce

Gatik

Inland Empire Economic Partnership

Kodiak

Latin Business Association (LBA)

Los Angeles Area Chamber of Commerce

Los Angeles Business Council

Los Angeles County Business Federation (BizFed)

Luminar

MEMA, The Vehicle Suppliers Association

Motional

Mountain View Chamber of Commerce

National Federation of Independent Business (NFIB) - California

National Federation of the Blind

National Federation of the Blind - California

Navistar, Inc.

Nuro

Orange County Business Council

Palo Alto Chamber of Commerce

Plus AI

Relles Florist

San Diego Regional Chamber of Commerce

San Francisco Chamber of Commerce

San Juan Capistrano Chamber of Commerce

San Mateo Chamber of Commerce

San Mateo County Economic Development Association

Santa Monica Chamber of Commerce

**SAVE Coalition** 

Silicon Valley Leadership Group (SVLG)

Si Se Puede! Fresno County

Si Se Puede! Kern County

Si Se Puede! Kings County

Si Se Puede! Tulare County

Spartan Radar

Stack AV

Star Milling Co

Steve McShane, City Councilman, City of Salinas

TechNet

Tesla

**Torc Robotics** 

Town of Danville

Uber

**United Spinal Association** 

Valley Industry & Commerce Association (VICA)

Volvo Autonomous Solutions

Volvo Group North America

Waabi Innovation

Waymo

World Blind Union

Zoox