

Senator Anna Caballero Chair, Senate Appropriations Committee 1021 O Street Sacramento, CA 95814

RE: Assembly Bill 2286: OPPOSE

Dear Chair Caballero and members of the Senate Appropriations Committee:

The undersigned organizations write to express strong opposition to AB 2286, which would effectively ban autonomous vehicle deployments for vehicles greater than 10,000 pounds by requiring a "human safety operator" to be physically present in all heavy-duty autonomous vehicles ("AV"). We have come together out of our shared commitment to usher in the promise of autonomous vehicles through the safe and expeditious deployment of this technology in California. We are also concerned AB 2286 would have a significant, negative fiscal impact on the California Department of Motor Vehicles ("DMV"), California Highway Patrol (CHP), and other agencies required to consult with the DMV under the bill. This would unnecessarily divert resources from agencies that are currently performing other valuable law enforcement and safety functions for Californians.

July 31, 2024

Autonomous vehicles will make our roads safer, boost supply chain efficiency, and create new, high-quality career opportunities for California workers without causing significant job displacement. As explained in more detail below, AB 2286 would undermine California's regulatory process, divert resources away from agencies with expertise to regulate AV technology, block Californians from accessing the benefits of autonomous trucking technology, and further set back the state on this critical innovation.

AB 2286 would divert resources from agencies with expertise to regulate autonomous trucks.

AB 2286 would prevent the DMV from leveraging its years of experience to develop an appropriate framework for heavy-duty and medium-duty AVs, and instead, as the bill analysis states, "creates workload for DMV to accept and organize disengagement data from AV manufacturers and to evaluate the performance of the AV technology, with costs likely in the millions of dollars." The bill would exacerbate the fiscal pressures on the Motor Vehicle Account, which, according to the Legislative Analyst's Office (LAO), is expected to fully exhaust its reserves and become insolvent in fiscal year 2025-26. The LAO further warns that the MVA, absent corrective action, such as revenue increases or spending reductions, will experience a negative fund balance of \$1.4 billion in fiscal year 2028-29.

The status quo for safety is unacceptable and AB 2286 would lock it in. 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. Nearly 14% of crashes in the United States involve a truck, and 1 in 3 long-haul truck drivers experience a serious crash in their career. In one study, the U.S. Department of Transportation found that drivers of vehicles over 10,000 pounds were responsible in 87% of incidents in which the truck caused the crash. Rather than increase barriers to the deployment of heavy-duty AVs, California should support driverless AV operation because AVs do not drive drunk, text while driving, fall asleep at the wheel, or recklessly speed. Indeed, for over a dozen years, AV technology has been tested on America's public roads and maintains a remarkable safety record. Autonomous vehicles greater than 10,000 pounds are safely operating without human drivers across the country, but AB 2286 would prevent California from reaping these safety benefits.

AB 2286 would thwart California's robust regulatory process. The Legislature passed a comprehensive legislative framework in 2012, which authorized the testing and deployment of AVs pursuant to regulations adopted by the California Highway Patrol ("CHP") and Department of Motor Vehicles ("DMV"). Although the Legislature did not distinguish between vehicle classes when it directed the agencies to adopt such regulations, the regulations currently prohibit heavy-duty AVs from testing or deploying in California. CHP and the DMV—experienced safety regulators that have already established a robust regulatory regime for light-duty AVs—are now engaging on autonomous trucks, with the agencies recently taking a critical step to initiate a rulemaking process that addresses AVs over 10,000 pounds. Notably, there has been only two workshops on AV trucks and *no* draft rules released to react to, and yet AB 2286 takes the draconian

step of upsetting this process. Indeed, the Department of Finance's <u>analysis</u> of last year's AB 316 states that the bill "creates a statutory framework for heavy-duty autonomous vehicle testing, which may not be the most appropriate pathway, given that the DMV, in its five years of experience working with light-duty testers, has significant policy expertise on autonomous vehicles[.]" Instead of imposing an ex ante human-driver requirement that would serve only to further forestall heavy-duty AV innovation and investment in the state, the Legislature should allow this public, stakeholder-focused rulemaking process to appropriately take its course.

AB 2286 would impose a permanent ban on AVs greater than 10,000 pounds in California. By requiring human operators in perpetuity, and with no articulated path for the state to approve fully autonomous solutions—AB 2286 would impose a clear ban on driverless vehicles greater than 10,000 pounds in California. Accordingly, the measure effectively locks California into the current and unacceptable level of crashes on its roads and ensures that innovative technology developed in California will not be deployed in the Golden State. The current absence of testing and deployment rules for these vehicles in California has already pushed California-based companies to innovate and create jobs in other states that are leading the way, while precluding California consumers, businesses, and its supply chain from realizing the benefits of this critical technology.

California would continue to fall even further behind other states on autonomous trucking innovation. California was among the first states to adopt a comprehensive legislative framework for AV testing and deployment over a decade ago. AV technology has since been tested and deployed in states across the country and across modalities, and it maintains an incredible safety record. Other states have taken notice, and now, a majority of U.S. states have recognized the numerous benefits of AVs by authorizing AV deployment, including deployment of autonomous trucks. Requiring a human driver to remain in AVs that weigh 10,000 pounds or more would deviate from the overwhelming majority of states' approaches to AV regulation and California would stand alone as the *only* state to single out autonomous trucks and bar them from effectively deploying in the state.

AVs will create new, high-quality jobs while avoiding displacement of current drivers. In addition to enhancing safety on our roadways, the AV industry is currently leveraging the existing workforce to create new roles for different education and skill levels. Many of the jobs created will not require a college degree, such as service technicians, remote assistance operators, mapping data collectors, delivery packers, and more. Several leading AV developers expect to deploy their technology on long-haul trucking lanes using a transfer hub model, creating new job opportunities at logistics facilities, as well as increasing demand for human short-haul drivers to move goods the first and last mile. Workers with experience in the trucking industry specifically, particularly as truck drivers, offer valuable skills to AV trucking employers. Unfortunately, the U.S. trucking industry is currently short of an estimated 78,000 truck drivers due to a long-term decline in new drivers entering the profession, and an annual turnover rate exceeding 90%. If current trends continue, the shortage could surpass 160,000 in 2031. Driverless truck deployments can help

mitigate the driver shortage and increase quality of life for workers in the logistics industry, but supporting innovation is a necessary step to the development of a strong workforce.

Autonomous vehicles will bring economic and supply chain efficiency benefits. Autonomous heavy-duty vehicles that operate in interstate commerce will fundamentally change the manner and speed in which goods move in our country while making roads safer for everyone. This technology also presents an array of environmental benefits, including greater fuel efficiency, more efficient use of physical infrastructure, reduced congestion, and reduced agricultural spoilage and related preservation of soil and water resources. Moreover, autonomous long-haul trucking has the potential to broadly benefit the economy by improving the efficiency of countless industries that rely on moving goods on trucks, such as agriculture, retail, and manufacturing. According to a study funded by the U.S. Department of Transportation and Federal Highway Administration, automating long-haul trucking will spur \$111 billion in aggregate investment spending across the U.S. economy, increase total U.S. employment by 26,400 to 35,100 jobs per year on average, and raise annual earnings for all U.S. workers by more than \$200 per worker per year. In California specifically, one study found that autonomous trucking technology can add \$6.5 billion in economic activity to the state, while bringing greater efficiency to our supply chain, spurring wage gains and job growth.

Autonomous vehicles will usher in a new era of mobility that makes California's transportation system safer, more efficient, and more accessible. We strongly believe California should continue to support safety-enhancing policies without foreclosing a future with autonomous vehicles greater than 10,000 pounds. For the reasons described above, we respectfully strongly oppose AB 2286.

Sincerely,

Autonomous Vehicle Industry Association (AVIA) Aurora AUVSI Abate-A-Weed AT Industrial Bay Area Council Beep California Asian Chamber of Commerce California Delivery Association California Hispanic Chamber of Commerce California Alliance for Freight Innovation California Chamber of Commerce California Clothing Recyclers California Manufacturers & Technology Association (CMTA) Central City Association of Los Angeles Central Valley Yemen Society

Chamber of Progress Coalition of California Chambers Orange County Coalition of Small & Disabled Veteran Businesses Consumer Technology Association Cupertino Chamber of Commerce Daimler Truck North America Einride Autonomous Technologies Fairfax Lumber & Hardware Flasher Barricade Association Gatik Inland Empire Economic Partnership Kodiak Latin Business Association (LBA) Los Angeles County Business Federation (BizFed) Los Angeles Area Chamber of Commerce Luminar MEMA, The Vehicle Suppliers Association Mountain View Chamber of Commerce National Federation of Independent Business (NFIB) - California Navistar, inc. **Orange County Business Council** Palo Alto Chamber of Commerce Plus AI **Relles** Florist San Juan Capistrano Chamber of Commerce SF.Citi Si Se Puede! Spartan Radar Stack AV Star Milling Co SVLG TechNet Tesla **Torc Robotics** Uber Valley Industry & Commerce Association Volvo Autonomous Solutions NA, Inc. Volvo Group North America Waabi Innovation World Blind Union