

# CLIENT ALERTS

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## Innovation vs. Safety: Regulatory Impacts on Connected and Autonomous Vehicles

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In the struggle to balance innovation and product safety, the global community is reacting to recent events by either aggressively pushing for autonomous legislation or hitting the “pause button” until finalized rules of the road are created. At the same time, the State of Michigan is cruising ahead, seeking to take the lead in autonomy with recent approval of a \$17 million loan for the construction of a research facility at Willow Run.

As the global community addresses these risks, the impacts of new and reactive policies and regulations will pose consistent challenges for manufacturers as such regulations could establish or limit liability, create a technology-agnostic environment, or drive technology-specific approaches, resulting in the acceleration or braking of innovation in the industry.

Key global updates in the push for autonomous vehicles include:

### **China:**

China has temporarily banned testing autonomous cars on its highways, pending the creation of formal rules. The Ministry of Industry and Information Technology is in the process of creating regulations in conjunction with law enforcement agencies.

It is unclear how the Chinese delay in testing will ultimately impact ongoing efforts by suppliers and OEMs, although commentators suggest that the moratorium could negatively impact Volvo and Chongqing Changan Automobile Company, who have been leading growth in the Chinese market.

### **France:**

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The French government has taken additional steps to allow autonomous car manufacturers to test vehicles on public roads as part of the “New Industrial France” plan to promote industrial growth in that country. Currently, France has no regulations governing the testing but endorses the effort to improve road safety and to reduce distracted driving.

### **Germany:**

The German Transport Minister has proposed new legislation that would require drivers to remain in the front seat with a steering wheel present to allow the driver to resume control of the vehicle in the case of an emergency. The legislation would also mandate a black box that would assist in determining responsibility in the case of an accident.

These rules, similar to those proposed in California, may receive similar criticism from the industry along with highlighting concerns about privacy under a more data-protection oriented European culture.

US / State: Currently, seven states and the District of Columbia have enacted legislation allowing the testing of autonomous vehicles on state roadways.

- **Michigan:** In an effort to take the national lead in autonomous vehicle testing, State Senator Mike Kowall introduced legislation allowing autonomous vehicles to be operated on any road within the state of Michigan with or without a driver behind the wheel. Michigan’s legislation is currently pending in the Senate Economic Development and International Investment Committee.
- **California:** In contrast with the Michigan legislation, the California legislature is currently considering laws that would require an autonomous vehicle to contain an operator serving in the capacity of a “driver” either with or without brake pedals, accelerators and steering wheels.
- **Other States:** Several other states have taken the initial step of establishing commissions and task forces to determine effective methods for creating best practices and regulatory schemes.

The autonomous and connected vehicle space is one with a rapidly changing regulatory environment. National Highway Traffic Safety Administrator Mark Rosekind recently reassured the industry that regulations are coming, but noting that “those expecting DOT and NHTSA to issue 16,000 pages of regulations in the coming weeks will be disappointed, or perhaps more likely, relieved.” As the NHTSA regulations are released and states continue to address the use of autonomous vehicles on the road, turn to your Butzel Long attorneys for updates and analysis.

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