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SUBCOMMITTEE VOTE ON H.R. ____, STAFF DRAFT ON THE HIGHLY AUTOMATED
VEHICLE TESTING AND DEPLOYMENT ACT OF 2017

WEDNESDAY, JULY 19, 2017

House of Representatives,
Subcommittee on Digital Commerce and Consumer Protection,
Committee on Energy and Commerce,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:05 a.m., in Room 2123, Rayburn House Office Building, Hon. Robert Latta, [chairman of the subcommittee] presiding.

Present: Representatives Latta, Harper, Upton, Burgess, Lance, Guthrie, McKinley, Kinzinger, Bilirakis, Bucshon, Mullin, Walters, Costello, Walden (ex officio), Schakowsky, Lujan, Clarke, Cardenas, Dingell, Matsui, Welch, Kennedy, Green, and Pallone (ex officio).

Staff Present: Mike Bloomquist, Deputy Staff Director; Elena

Brennan, Legislative Clerk, Oversight and Investigations; Karen Christian, General Counsel; Kelly Collins, Staff Assistant; Jordan Davis, Director of Policy and External Affairs; Blair Ellis, Digital Coordinator/Press Secretary; Melissa Froelich, Counsel, Digital Commerce and Consumer Protection; Adam Fromm, Director of Outreach and Coalitions; Ali Fulling, Legislative Clerk, Oversight and Investigations; Giulia Giannangeli, Legislative Clerk, Digital Commerce and Consumer Protection/Environment; Jay Gulshen, Legislative Clerk, Health; Zach Hunter, Director of Communications; Paul Jackson, Professional Staff Member, Digital Commerce and Consumer Protection; Peter Kielty, Deputy General Counsel; Bijan Koohmaraie, Counsel, Digital Commerce and Consumer Protection; Drew McDowell, Executive Assistant; Katie McKeough, Press Assistant; Alex Miller, Video Production Aide and Press Assistant; Paul Nagle, Chief Counsel, Digital Commerce and Consumer Protection; Dan Schneider, Press Secretary; Madeline Vey, Policy Coordinator, Digital Commerce and Consumer Protection;

Evan Viau, Staff Assistant; Hamlin Wade, Special Advisor, External Affairs; Michelle Ash, Minority Chief Counsel, Digital Commerce and Consumer Protection; Jeff Carroll, Minority Staff Director; Elizabeth Ertel, Minority Office Manager; Lisa Goldman, Minority Counsel; Dan Miller, Minority Policy Analyst; Tim Robinson, Minority Chief Counsel; and Andrew Souvall, Minority Director of Communications, Outreach and Member Services.

Mr. Latta. Well, good morning. The subcommittee will come to order. And the chair recognizes himself for an opening statement.

Today's markup represents the most significant step this subcommittee has taken to date to enact comprehensive legislation on self-driving technologies and services. I am very happy and appreciative that we take this step together in bipartisanship. The idea of self-driving vehicles once was the stuff of science fiction, comics, TV and movies. Think David Hasselhoff in Knight Rider.

Today, advanced driving equipment is embedded in cars, in pickup trucks, and more sophisticated technology and systems are being designed and tested for the very near future. Accordingly, over the past year and a half, we have attempted to highlight both the significant benefits and challenges of self-driving technology by holding hearings, technology showcases, and real-life demonstrations for committee members, and by having open and bipartisan dialogue with stakeholders from across the country.

Personally, I lost count on how many informative meetings I have had with colleagues and stakeholders. As a result, we have received an outpouring of comments, concepts, edits, and counterproposals on how best to advance this transformative issue.

Why is this all important? One word: Safety. We don't have to accept a world where millions of accidents and thousands of fatalities on the roadway are a necessary evil of driving. In a Nation of over 320 million, each year, approximately 6 million Americans are involved in vehicular accidents resulting in nearly 2 million injuries.

In 2015, over 35,000 people lost their lives on our Nation's highways. Early estimates indicate that number increased to 40,000 fatalities in 2016. In my home State of Ohio, sadly, a traffic fatality increase of 10 percent from 2014 to 2015. Traffic deaths are going up. So we must continue to quickly move forward and thoughtfully. Safety will always be our number one priority. And, as a consequence, we need to unleash safety testing in the future deployment of self-driving vehicles. The core of this self-driving legislation underscores the intention to reaffirm the roles and responsibilities of Federal and State Governments, update Federal motor safety rules, and enhance public safety through testing and deployment of self-driving vehicles and technologies.

Let me elaborate on two specific issues: One, reaffirming the traditional roles and responsibilities of the Federal, State and local governments; and, two, raising the cap on Federal motor vehicle safety standards exemptions that manufacturers can maintain.

First, one of the most important objectives of this legislation is to reaffirm the established rules of the Federal, State and local governments. The need for this framework was laid out by the Obama administration just last year. From the front bumper to the back bumper, whether it is a car, pickup truck, or a van, how the vehicle works and its design should be the province of the Federal Government as has been the case for more than 50 years. That said, the States and localities have an equally important role to play in determining insurance requirements, titling cars, requiring registration, setting

the rules of the road. They get to enact and enforce traffic laws and regulations as well. States will also still be able to offer incentives to entities that are early participants in this field, if they want to encourage testing in their State.

I am tremendously proud that my home State of Ohio is actively engaged in working on advanced transportation research and development. For example, the city of Columbus won the Department of Transportation Smart City Challenge last year, and is already leveraging advanced transportation technology and initiative to improve mobility services for its community and the entire State. Less than 40 miles from Columbus, we are also fortunate to have the Transportation Research Center, the TRC, in central Ohio. TRC is the largest independent vehicle test facility proving ground in the United States, and is at the cutting edge of a wide range of transportation R&D testing and manufacturing programs.

Nothing in our legislation affects the States and local activities and authority. And, at the same time, it ensures that self-driving vehicles are not abruptly stopped at the Ohio/Michigan State line. Second, the intention of this legislation is to increase self-driving vehicle testing on U.S. highways and dramatically increase the amount of data information on safety and performance, all without sacrificing safety. There can be no exemption without showing that there will be no sacrifice to safety.

In my remaining time, let me thank all of our subcommittee members for engaging on this important issue. We have great member interest

in this issue and have had robust participation throughout. I especially want to thank Ranking Members Pallone and Schakowsky for their good-faith work to get us to this bipartisan language we have before us today, and, of course, the tireless advocacy of Mrs. Dingell, whose passion for the automobile industry is known to us all. I also want to thank our great staff for their tireless work, which involved weekdays and weekends to get us to where we are today. Thank you.

Our work is not done. We continue to perfect language as we prepare to move quickly to full committee markup. I know many members are hearing about franchise agreements, and that is an issue we all need to address. As we move forward in the next step, our doors remain open to everyone who is willing to engage with us. I look forward to advancing this bill to the full committee and building upon our work for all Americans.

At this time, I would like to now recognize the gentlelady from Illinois, the ranking member of the subcommittee, for 3 minutes for an opening statement. Thank you.

Ms. Schakowsky. Thank you, Chairman Latta. I want to join you in expressing gratitude to your staff, to the Democratic committee staff, and my personal staff, for all the time that has been spent on this bill, the input from stakeholders ranging from the auto industry itself to the safety advocates, to members of the subcommittee, including Congresswoman Dingell and others who have had input. And the draft before us is the product of bipartisan negotiations. It is not a final product. But I do believe we are moving in the right

direction. I remain committed to working with the majority to reach a bipartisan agreement on all sections of the bill before a full committee markup. And let me say that I don't think there is any magic about having a full committee markup next week. We are not going to consider the final on the floor before -- after the recess anyway. So let's make sure that we get it right.

I want to highlight some key improvements that my democratic colleagues and I worked to incorporate into today's draft.

Autonomous vehicle manufacturers would be required to submit safety assessment certifications. That information will help inform NHTSA, NHTSA's future rulemaking, and help build consumer confidence in the technologies. The draft lays out a non-prescriptive framework for NHTSA to update existing safety standards and write new safety standards. We have reached an agreement that NHTSA should have a clear process for granting exemptions and list exempted vehicles in a public, searchable database.

The draft also includes important safety improvements that go beyond autonomous vehicles. I especially want to highlight the hot cars language, which I have mentioned in the subcommittee many times before already.

Twenty-two children have died from heat stroke in vehicles this year. It is time for action, and the language in this draft would be a great step forward.

I continue to believe that this subcommittee could further protect safety by providing NHTSA imminent hazard authority, and

banning sale of used cars that are under recall. I will keep looking for ways to advance those safety improvements going forward.

State preemption and exemptions remain major issues to resolve, and I cannot endorse this legislation until we have a bipartisan agreement on that language. Right now, in the draft, it is in brackets indicating an agreement that we will continue to work on this -- on the language, both on preemption and exemptions. States, as the chairman said, do have a vital role in protecting safety through licensing, traffic rules, liability, and other State laws. We need to preserve that role. In a similar vein, exemption should not be a replacement for permanent safety standards.

We will continue to work with safety advocates and industry stakeholders to find common ground. We have made great progress already. In the days and weeks ahead, I have confidence that we can come together on a bill that all members of this committee can support. Clearly, all of us agree that the United States ought to be the leader in innovation, that this is an important role for us to play, that we have made progress already. We don't want to stand in the way of that. At the same time, we want to make sure that all of the consumer rights and safety considerations are part of the legislation. And I think we are on our way to achieving that goal.

And, with that, I yield back.

Mr. Latta. Thank you very much. The gentlelady yields back.

The chair now recognizes the chairman of the full committee, the gentleman from Oregon, for 3 minutes.

The Chairman. Thank you very much, Mr. Chairman. I think today marks a really important milestone in our pursuit to provide safer roadways and move forward with transformative and lifesaving technology. This subcommittee markup represents our commitment to maintain an open process and working with our friends on both sides of the aisle to ensure all people have been heard on this extremely important issue. I want to especially thank you, Mr. Chairman, for your leadership on this, and our staff, and the ranking member, Representative Schakowsky, for her good work on this as well, and for demonstrating a commitment to working with members and stakeholders in an open and bipartisan manner.

I personally know how many meetings have taken place on this legislative package. There have been a lot of them. And believe me when I tell you that all who want to be heard and offer input have been given that opportunity, at least I hope you feel that way, because we have really tried to have an open process as we move this legislation forward. It is important to get this issue right, and I strongly believe the process that has taken place ensures that we do just that.

The technology behind highly autonomous vehicles is stunning. Equally stunning are the latest roadway safety numbers. Almost 40,000 lives were lost on our roads last year. In my home State of Oregon, traffic fatalities were the highest they have been in 14 years, increasing at an alarming 20 percent from the year before. And yet, statistics tell us that 94 percent of accidents are related to human behavior. During our morning commute into work, just look around. We

all see folks on their phones in the cars next to us. While NHTSA cannot write a safety standard for human behavior, it can work to advance lifesaving technologies which is the underlying goal of this legislation.

The auto industry alone is responsible for more than 7 million jobs nationwide and drives more than \$900 billion into the economy each year. We want to see these numbers continue to grow. We want the innovation to occur in the United States and the development to occur here as well.

In addition, there are many groups of people who could benefit greatly from better access to transportation. We have heard that in your hearings and in the work groups. There is estimated to be more than 27 million people with severe disabilities according to the Census Bureau. And records show that there are more than 47 million seniors in the U.S. Advances in autonomous vehicles could dramatically improve the lives of these people in terms of their mobility. For Americans to enjoy the benefits that self-driving cars have to offer, we must develop an appropriate regulatory structure that safely allows industry to innovate. We want aggressive oversight of the industry but with the flexibility needed to test and generate the safest and most affordable technologies possible. There is an important balance that we have to strike. I believe this legislation is doing just that.

So I want to, again, thank and commend the bipartisan leadership displayed by Chairman Latta and Ranking Member Schakowsky. You know, as you look back -- or look forward, I can envision a day a generation

or two ahead where young people say: You folks drove yourselves? What barbarians. How did you text and drive? Well, that is the whole point. Right? Most of these traffic accidents have a connection to distracted driving or something else. We can avoid a lot of that with this technology. We can save lives. And I just want to commend the committee. Because I think we are way out front on this issue and have been for months. And I am proud of the work that we are doing and look forward to continuing that effort as we go forward.

And I yield back the balance of my time.

Mr. Latta. Thank you very much. The gentleman yields back.

The chair now recognizes the gentleman from New Jersey, the ranking member of the full committee, for 3 minutes.

Mr. Pallone. Thank you, Mr. Chairman. Today we begin the markup process on a draft bill regarding self-driving vehicles. I welcome the work that has gone into getting us to this markup. While we have not reached a complete bipartisan agreement, the draft before us reflects true bipartisan negotiations.

I want to start by extending a thank you to Chairman Latta and Walden. Negotiations since the June hearing on the 14 draft bills have been constructive, and I appreciate your willingness to work with us. The deployment of self-driving cars is not a partisan issue, and I appreciate your pledge to continue working with us as the bill moves through the legislative process. There are potential benefits for safety in the deployment of self-driving cars. There are also challenges such as increased cybersecurity, and privacy exposure

risks, and safety issues regarding the interaction between human operated and computer-operated vehicles. At the June legislative hearing, I pointed out a number of concerns I have with the majority's 14 drafts. We made a lot of progress on many of those concerns. Now the Federal Government's lead auto safety agency will have an active role in ensuring that self-driving cars can be successfully deployed on our roads. The National Highway Traffic Safety Administration will be required to do rulemaking, and industry will be required to submit safety assessment certification that detail how their vehicles are tested and function on the road.

Legislation also includes a new and important cybersecurity provision. Any manufacturer entering this market must have cybersecurity practices in place before their cars are sold. And because human drivers are going to be driving vehicles on our streets and highways for the foreseeable future, the bill before us also contains legislative initiatives geared towards protecting drivers and passengers, including requirements to ensure kids are not unintentionally left in hot cars, and that all new cars have the latest technology in their headlamps.

This bill also ensures NHTSA is able to consider whether a car functions as intended, not just whether it meets specific standards. We also encourage NHTSA to come up with a plan on how it can alter testing using ranges so that cars cannot be built just to meet a particular test.

Moreover, I am pleased with the removal of the provision that

sought to further limit public access under the Freedom of Information Act.

Of course, the bill before us is not perfect. It does not truly deal with data security or privacy, nor does it include an authorization of appropriations for NHTSA to help it handle these major changes in auto technology. And, yes, more work needs to be done. We still need to deal with the broad preemption and bracketed exemption issues. I am committed to continue to work towards addressing these issues. And, again, as our Ranking Member Schakowsky said, I always prefer if these issues are addressed before the subcommittee markup. Because that is the point of our subcommittee, is to do the work. And I know now some of these things are going to go to full committee. I am concerned, as Ms. Schakowsky said, that we won't have enough time to do this next week. And so, again, Mr. Chairman, because it wouldn't go to the floor until September anyway, I would urge that if we don't have enough time, that we not have a full committee markup next week because I think this should be bipartisan, and it can't be if we don't have enough time to work this out.

I want to thank Ranking Member Schakowsky for working tirelessly to get us to this point, as well as other members of this subcommittee for the work that they did on this bill. And I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

And the chair now recognizes the gentleman from Michigan for 2 minutes.

Mr. Upton. Well, thank you. So we can forget about the Jetsons.

The future of the automobile is here. And the automotive industry is completely revolutionizing how we are going to get around for decades to come. Michigan is leading the way in developing, testing, and deploying the cars and trucks of the future. That is for sure. And as the birthplace of the automotive industry, Michigan is well-known home to innovative suppliers and manufactures that make our cars and trucks safer, more efficient, and certainly more affordable. It is also a nexus of engineering and research talent, which makes it perfect for the development of the next phase of vehicular mobility, autonomous vehicles.

These technologies also have the potential to stop accidents before they happen. According to NHTSA, more than 35,000 Americans died in traffic accidents last year, 7 percent increase in fatalities on our roadways from the previous year. And NHTSA has also found that 94 percent of fatalities in our roadways are tied to human error.

Connected and automated vehicle technology has tremendous potential to cut congestion, create good paying jobs, strengthen our economy, increase consumer access, save thousands of lives. So I look forward to making this bipartisan legislation bill move forward today on a variety of issues associated with the safety improvements and revolutionary changes self-driving vehicles are bringing to our society and here to stay.

And I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

The chair reminds members that pursuant to committee rules, all

members' opening statements will be made part of the record.

Are there further opening statements?

The gentlelady from New York is recognized for 2 minutes.

Ms. Clarke. Thank you, Mr. Chairman. And I thank Ranking Member Schakowsky for convening today's very important markup.

In July of 1903, Ford Motor Company assembled its first vehicle in Detroit. One hundred fourteen years later, the United States will, once again, transform mobility, both here and abroad, with this landmark highly autonomous vehicle testing and deployment legislation. I am personally honored to be a member of this subcommittee as we work on legislation that has the potential to make a lasting impression on 21 century mobility. I commend the bipartisan work of my colleagues, the committee leadership, and the American innovators that will work to make self-driving vehicles, their deployment and testing, a uniquely American triumph.

Upwards of 300,000 Brooklynites commute to Manhattan and back to Brooklyn each day. With that said, I represent New York's Ninth District and, therefore, millions of Americans that would greatly benefit from smarter, faster, safer, and more fuel-efficient travel.

While the intent is for States to retain their historic jurisdiction to regulate registration, licensing, liability, insurance, safety inspections, and traffic laws, under this legislation the bill prohibits the States and localities from imposing an unreasonable restriction on the design, construction, mechanical systems, hardware and software systems, or communication systems, of

highly autonomous vehicles. Because the proposed legislation does not define what actions amount to an unreasonable restriction, I am particularly concerned that this provision may broadly prohibit States and cities from issuing laws or regulations, including those traffic laws or registration requirements that are supposed to be preserved which have any resulting impact on the design, construction, mechanical systems, hardware and software systems, or communications systems for HAVs.

As we move to full committee, Mr. Chairman, may I have your assurances that we will continue to negotiate to address these issues and further define unreasonable restriction?

Mr. Latta. As the gentlelady from -- the ranking member from Illinois mentioned, that we are also going to have a colloquy. But I think it is important that, as we move forward, that we look at all the issues. And, you know, our committee staffs are working together and we will keep working with everyone.

Ms. Clarke. Awesome.

Finally, I am pleased that this legislation requires companies to develop a more comprehensive cybersecurity plan which can mitigate, correct, intersect, and identify imminent threats. Fostering consumer confidence will include ensuring an established system built to protect sensitive information in our information age.

Thank you very much, and I yield back.

Mr. Latta. The gentlelady yields back.

And the chair now recognizes the gentleman from West Virginia for

2 minutes.

Mr. McKinley. Thank you, Mr. Chairman. Mr. Chairman, as we move through this highly automated vehicle legislation through the committee process, I am looking forward to working with you. You know I have my reservations. But I believe there is a way that we can resolve a lot of this.

But one of those concerns I have had has been about working out an agreement with the stakeholders, but at the same time, preserving the State vehicle laws, franchise laws. Because franchise and licensing laws have historically been addressed at the State level. And we need to ensure that the historical relationship is not inadvertently impacted by this legislation. So in those coming days, I am hopeful we can finalize some kind of an agreement that not only preserves and takes care of the stakeholders and the objectives that this committee is trying to achieve, but also takes care of the franchisees and the historical relationship.

I yield back the balance of my time.

Mr. Latta. Well, thank you very much. The gentleman yields back. Are there additional?

The gentleman from New Mexico is recognized for 2 minutes.

Mr. Lujan. Mr. Chairman, thank you very much, and thank you and our Ranking Member Schakowsky, Mr. Chairman, for the work that you have done, the work of both the majority and minority staffs, and having these conversations, and getting us to where we are today. I know the subcommittee has done a lot of important work in this space, and in

the space of Internet of Things.

As we have seen increasingly in recent years the proliferation of Internet of Things has created new opportunities. But, also, the attention that we now must be placing on cybersecurity in our personal lives. Cybersecurity can't take a backseat. Consumer data and privacy issues can't take a backseat. And we need to make sure that we are also leaning in and getting this correct. Data can truly be said to be the fuel of the digital age. Its potential to change how we live our lives is tremendous, but we must also develop and advance smart strategies that govern the collection of this data. Consumers need to be evermore aware of this collection and demand accountability from all those collecting it, sharing it, and selling it. In addition, businesses of all sizes and industries must be vigilant that they are engaging in smart practices and developing sound cybersecurity and privacy policies that are easily understandable by consumers. This means making it easy for consumers to simply read, and understand, and engage with the privacy policies being offered to them, standards surrounding that. And when consumers choose to, they should be able to delete their personal info from connected devices. I have an amendment on this subject that I will be offering later, and I look forward to working with the committee on this issue as well.

And, with that, Mr. Chairman, I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

Are there additional Republicans? The gentleman from Illinois is recognized for 2 minutes.

Mr. Kinzinger. Mr. Chairman, thank you. I want to thank you for your leadership and for holding the markup today.

Like many of my colleagues, I am concerned about the growing number of traffic fatalities across the country. In Illinois, almost 1,100 people lost their lives last year. I see great potential in autonomous vehicle technology, and I think what we are working on today can help reduce the number of traffic fatalities because we know that a vast majority of them are caused by human error. AVs also have the great potential to improve quality of life for the elderly, for the disabled, for those underserved by public transit. I believe the package we have in front of us today will keep the United States competitive in the global auto industry, and I support the efforts to clarify Federal and State roles, and to encourage testing, development, and deployment of autonomous vehicles.

I am also very interested in the cybersecurity aspect of what we are dealing with today. As we all know, no one can honestly promise that their system is perfectly secure. That doesn't mean we should stop innovating, however. It does mean that we need the industry and government to work together to ensure that our roads remain safe. Creating a Federal advisory committee will improve the communication between the public and private sector, and hopefully help to highlight the issues before they come become a crisis.

Again, Mr. Chairman, I want to thank you for holding the markup and for moving these proposals forward. And I yield back.

Mr. Latta. Thank you. The gentleman yields back.

Are there additional? The gentleman from California is recognized for 2 minutes.

Mr. Cardenas. Thank you, Chairman Latta, and also Ranking Member Schakowsky. We are in an exciting age for the automotive industry. When I was a young boy, people said there would be flying cars by the year 2000. Well, it is 2017, and our travel is definitely more land-based than the cartoon, The Jetsons. But 2017 for cars is exciting, partly because of the legislation we are marking up today.

Driverless cars are no longer a thing of the future. They are here now. They are being designed by our engineers, built by our manufacturers, and tested on our roads right here in America. But with opportunity and innovation also comes responsibility. As legislators, we must ensure that the technologies that are being tested on our roads are safe for all of us.

As a Member of Congress representing the great State of California, I know that our State is fiercely proud of our innovators and firmly protective of the rights of our citizens. Being a Californian, and a legislator, and a former small business owner, has helped me work on policy that spurs innovation, and also helps hold our businesses to the high standard that our communities deserve. California and Los Angeles have been working on integrated infrastructure for years, and I hope they can continue to be part of the discussion as this legislation moves forward.

Thank you to the ranking member and -- Ranking Member Schakowsky and Chairman Latta, as well as my Republican and Democratic colleagues,

and all of our staff on both sides of the aisle for working so hard on the draft of this bill. I was glad to see that some of the points I have advocated were included, like making sure the advisory counsel this bill sets up examines the impact autonomous vehicles might have on our employment and labor force. I look forward to working with all of you as we continue to improve on this very important legislation.

I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

And the gentleman from Indiana is recognized for 2 minutes.

Mr. Bucshon. Thank you, Mr. Chairman. Self-driving cars will play an important role in rural communities. Throughout rural America, transportation concerns are real. Oftentimes, this translates into issues with receiving important medical services. As a former cardiovascular surgeon, I know firsthand hospitals are not in each town, but rather, several towns over or, quite often, even much further away. The potential for self-driving cars has to get people the care they need cannot be overstated. With the technology of self-driving cars existing today, I believe it is important that the Federal Government is transparent with States and localities when automated vehicles are being tested or deployed on their roads. I believe this legislation does just that. The Highly Automated Vehicle Testing and Deployment Act of 2017 draft ensures that a publicly available database is created so that States and localities are aware of which cars have been granted exemptions from NHTSA. The goal of this approach is to ensure that States do not have to dig through the

Federal Register to find information about exemptions. There will be an adjustment period when we all are still learning about the different kinds of highly automated vehicles on the road. This is a simple provision that ensures that the Federal Government improves communication with States about exemptions with regard to automated vehicles.

I applaud the hard work of this committee, and I am happy to support the legislation.

And I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

And the chair now recognizes the gentlelady from Michigan for 2 minutes for an opening statement.

Mrs. Dingell. Thank you, Mr. Chairman. I want to start by thanking you, and Ranking Member Schakowsky and Pallone, and the staff on both sides of the aisle for all of their hard work on this bipartisan draft legislation. I know many people in this room haven't had a lot of sleep in the last few days.

The draft we are considering today lays out a responsible framework for the development of highly automated vehicles that puts safety first and foremost, as it must. There are still some issues that we need to resolve. But I strongly support the direction the bill is headed and hope that we can continue our bipartisan progress towards introducing consensus legislation as we head to a full committee markup. With this legislation, we have the unique opportunity to reshape American innovation for generations to come. We cannot let

this opportunity slip us by. This is fundamentally an issue of international competitiveness. Automated vehicles are going to be developed, whether we like it or not. The question is whether the United States will remain in the driver's seat as opposed to China, Japan, or even the EU, who are also making significant advancements in this space.

If we are serious about promoting high-tech jobs and want this next great wave of manufacturing and R&D to take place here in the United States, as opposed to overseas, then we need to have a strong, strong, strong flexible regulatory framework for highly automated vehicles that always puts safety first. And, like every member here today, I worry deeply about cybersecurity and privacy issues. It is so important that we get this right, because it is going to impact this country for decades to come, which is why I want to applaud the thoughtful and deliberative process that has led us to this point, and will hopefully lead us to a successful conclusion.

There has never been a more exciting time to be in the auto industry. Highly automated vehicles have the promise of saving lives, decreasing crashes, improving mobility for seniors and the disabled community, reducing congestion on the roads, improving energy and efficiency, but only if we in Congress get the policy right. Today's draft bill is a major step in the right direction. I look forward to continuing our work towards bipartisan consensus legislation to ensure that we stay at the forefront of innovation and technology in this country.

Thank you, Mr. Chairman.

Mr. Latta. Thank you very much. The gentlelady yields back.

And the chair now recognizes the gentlelady from California for 2 minutes for an opening statement.

Mrs. Walters. Thank you, Mr. Chairman.

We have often discussed the vast amount of lives lost on U.S. highways, perhaps 40,000 in 2016. Sadly, traffic fatalities are increasing in California with the State suffering a 2 percent increase in 2016. When you consider that estimates predict self-driving vehicles can save 300,000 lives per decade, we can understand why this legislation is so incredibly important. That importance is magnified when we account for other societal benefits, like reducing congestion and commuting times in busy southern California. I especially want to highlight the expanded testing provisions in this legislation. As we know, California is home to numerous tech and ride hailing companies. These companies have already developed many innovations that have significantly improved our daily lives. By ensuring that these companies can conduct testing, this bill sets the table for that creative development to be applied to self-driving vehicle development. The information gathered from this testing and the enhanced industry competition will ultimately play a key role in furthering the development of this important technology and public safety.

Thank you, and I yield back.

Mr. Latta. Thank you very much. The gentlelady yields back.

And the gentlelady from California is recognized for 2 minutes.

Ms. Matsui. Thank you very much, Mr. Chairman.

Let me just say I am pleased with the direction of the legislation we are considering today. And while there are a number of unresolved issues, specifically the preemption and exemptions provisions, the bill is an improvement over the legislative hearing draft. As I said at that hearing, I want to find a path to safely and expeditiously test and deploy autonomous vehicles. We all recognize the lifesaving potential of AVs. But we need rules of the road so that consumers can trust this new technology. That is why, in 2012, the State of California passed a law to create a pathway for testing AVs and has been one of the most active States in rolling them out. Since then, NHTSA has turned its attention to AV testing and deployment and proposed a framework for Federal and State AV regulation.

My goal is for our legislation to keep both States and NHTSA engaged in the autonomous vehicle deployment process in order to maximize safety and build consumer confidence in the technology. In order to do this, I support clarifying State and Federal regulatory roads and allowing States to continue to protect the safety of their residents. I work closely with the State of California on this issue, and I am concerned about the proposed language. But, I appreciate that we all recognize this provision is a work in progress. And I remain committed to working with the chairman and ranking member to find a solution before the AV bill goes to full committee. I also appreciate the inclusion of provisions that we create a level playing field in

order to open testing to manufacturers that are not traditional automakers. AV technology is sparking innovation across the country, and I support allowing innovators from all industries to test their systems in a responsible manner. This competition will ultimately benefit consumers and safety.

We made significant progress in a very short period of time, and I am gratified that the committee is now working together on a bipartisan basis to allow our constituents to see the benefits of AVs in the future. And I do look forward to continuing to work with the chairman and ranking member on the outstanding issues on the bill we are considering today, and I hope that there will be a final draft before the full committee that we can all support.

Thank you. And I yield back.

Mr. Latta. Thank you. The gentlelady yields back.

And the chair now recognizes for 2 minutes the gentleman from Mississippi, the vice chairman of the subcommittee.

Mr. Harper. Thank you, Mr. Chairman. And thank you for calling today's markup to continue the subcommittee's work on self-driving cars. In addition to the safety benefits, this technology is of particular interest to me because of the opportunities that self-driving vehicles will provide to Americans with disabilities, including those with intellectual disabilities. As many of you have heard, my wife and I have a son, Livingston, who's now 28, who cannot drive but wants to go everywhere. So it creates many challenges on a day-to-day basis, including my wife getting him to and from work most

every day. So that issue in the disability community of that lack of transportation is widely viewed as one of the top impediments to advancement and success in society. Barriers to adequate transportation contribute to a lower rate of employment, education, and income.

Self-driving cars have the potential to offer individuals with disabilities improved mobility options which will help address those transportation issues. The legislation creates a forum for the disability community, manufacturers, suppliers, and other stakeholders to work together on how best to address the needs of the community that could see incredible benefits from self-driving vehicles.

More than 3.8 million veterans have a service-connected disability. Self-driving cars have the potential to improve mobility access for those who have sacrificed so much for our country. This technology has the potential to transform the daily lives of such an important part of our social fabric. And we cannot let this opportunity to meet their transportation needs bypass us. I am confident that industry, States, every stakeholder, will have the ability to work together and to see that we take care of the disability community and work on those particular industries and issues that are so important, I believe, to the community.

So we don't want to take anything for granted. This is something that has a profound possibility to impact us in a great way, and we look forward to working through this.

With that, I yield back.

Mr. Latta. Thank you very much. The gentleman yields back.

And the gentleman from Texas, I believe, is in line. The chair recognizes the gentleman from Vermont.

Mr. Green. I will yield. I will speak after Peter.

Mr. Latta. Okay. Thank you.

Mr. Welch. Thank you very much. This is pretty exciting. Number one, we are getting something done together. Number two, it is incredibly important what it is we are working on. And it is really four issues. One, the AVs are coming, and it is a question of whether we are going to be on the front edge or lagging behind. And this legislation is going to give us a boost.

Second, safety has to be a primary concern, first and foremost, to protect lives of people who may be endangered. But, secondly, because any big safety accidents would be a decades-long blow to the confidence that is required in order to move ahead.

Third, as many of my colleagues have said, we have got to have security, and we have got to have privacy. And those are big and challenging issues in this space and other spaces.

But, four, there is an issue with the local dealers that others have mentioned. One of the big challenges of technology and globalization is how it is undercutting the strengths of our local economies. And we want to do everything we can to promote localization of our economies even as we unleash innovation that has global implications. And our local auto dealers, Mr. Chairman, are really

critical elements in a local economy. They do an awful lot. They provide a lot of jobs. They provide a lot of support to that local economy. So there is an issue that I hope we can clarify in the -- it is the concern of the preemption language. As it reads now, the language would preempt any State law relating to the design, construction, mechanical systems, hardware and software systems, or communication systems, of highly autonomous vehicles.

And there is a concern that the National Auto Dealers Association has, and I share, that this may preempt State franchise laws, which allow dealers authority to sell new and used vehicles. So that is an issue that I hope we can work out, and I am confident we can between now and the final markup.

And I yield back. Thank you, Mr. Chairman.

Mr. Latta. I appreciate that. And I thank the gentleman for yielding back.

And the chair now recognizes the gentleman from Oklahoma for 2 minutes for an opening statement.

Mr. Mullin. Thank you, Mr. Chairman. And just by the sheer number of opening statements we can tell that this committee is working together on something that is vitally important to the committee. Thank you, again, for your leadership on leading this.

And I just want to express some interest on why this is important to everybody, because my State is not unique to anybody else. But in 2015, there were 643 car crash-related fatalities in my home State in Oklahoma. From 2014 to 2015, these deaths increased by 4 percent.

Traffic safety is something that impacts every State, and this legislation is much needed and is a step forward in protecting people on the roads. Literally just the other night I got woke up at midnight, and one of my State reps had called me. And he was on his way to the hospital because his sister was in a serious accident. And so everybody can tell a story. But this is more than just technology. It is about safety.

So, once again, I want to thank the committee, the committee staff, yourself, your leadership in this. And we are moving in the right direction. And I think we are moving in the right direction by giving the flexibilities to the automakers, to the investors, by doing so.

So thank you, again, for your leadership in this. And I look forward to working with the committee.

Mr. Latta. Thank you very much. The gentleman yields back.

And the chair recognizes the gentleman from Massachusetts.

Mr. Kennedy. Thank you, Mr. Chairman. I will be brief. I want to echo the -- I think the sentiments from my colleagues on both sides of the aisle and congratulate the chairman and the ranking member for getting us here today, important step forward. Great to see the committee coming together and working comprehensively on an important package that, I think, when it does come to the floor, I hope it does -- strike that -- make that investment in innovation and an important statement about innovation and our ability to continue to put American ingenuity at the forefront around the world, and echoing

many of my colleagues from across the aisle, ensuring the safety, not just of passengers in vehicles, but civilians as well and pedestrians as well.

I applaud everybody for going through this process and working out a number of issues to get us to, I think, a place that has broad-based support today.

I would echo Mr. Welch's comments and highlight the fact that there are two thorny issues still left around preemption and exemptions. I am confident that we will get there. I hope that we will be able to continue to move forward in a way that keeps everybody at this table collectively to ensure that the final product here, when it does come for our final markup and then on to the house floor, that it does come with a broad statement of bipartisan support, because I do think that is important going forward.

Again, I want to commend the committee and the committee staff for getting us to where we are today, urge everybody to continue to work on some of those details that I think are some of the big sticking points. But I am certain we can get there. And, with that, Mr. Green, if you want the rest of my time, or if you want the full 2 minutes, I will yield back.

Mr. Green. I better get the 2 minutes.

Mr. Kennedy. I yield back.

Mr. Latta. The gentleman yields back. Thank you very much.

Are there any other Republicans wishing to offer an opening statement? Hearing none, the gentleman from Texas is recognized for

2 minutes.

Mr. Green. Thank you, Mr. Chair. I don't mind batting clean-up. I want to thank the chair and the ranking member, because I think this is our Energy and Commerce Committee and the subcommittee is, at best, holding hearings, diligent hearings, over a number of months, and coming up with a plan now that could come out of our subcommittee by voice vote. There are still some issues going on. We have the opportunity with this bill to limit the carnage on our highways. We worry about healthcare and lots of other things in our committee. But if you look at the number of deaths and injuries on our highways, that is probably the biggest issue in our country. So we have the opportunity to do it. But I don't think speed makes it successful. And that is my concern when I heard that we may have a markup next week. I think we need some more time for folks to look at it. And I think coming back in September and having a markup in the full committee may give us time to digest it and hear from a lot of other folks.

Just last night, I heard from a number of auto dealers that said: How does this bill impact the State franchise laws? And so I think we need to look at that and say, because I don't think that is our intent is to change how cars or vehicles are marketed, whether they are automated or not. But I want to thank you because I think you set the pattern of how we should do on Energy and Commerce, diligently looking at an issue and then coming back and working together. And, again, it is our ranking member and our chair who set that leadership.

And I thank you and yield back.

Mr. Latta. Thank you very much.

I believe that we have recognized all the members who wished to make an opening statement. So I appreciate that.

And the chair recognizes the gentlelady from Illinois.

Ms. Schakowsky. Thank you, Mr. Chairman. I would like to engage in a brief colloquy on our path forward after this markup.

Mr. Latta. That is fine. Without objection.

Ms. Schakowsky. The committee draft before us has brackets around preemption sections, and part of the exemption section signaling that we have not yet reached a bipartisan agreement. We have resolved many issues over the last week, and I believe it is worth continuing our negotiations. I am certainly willing to work in good faith in the coming days in the hopes of figuring out compromise language. If I have a similar commitment from you, I will recommend advancing this bill out of the subcommittee by a voice vote today.

I yield to you.

Mr. Latta. Well, thank you very much. I appreciate the gentlelady for yielding. And, first, I want to thank you very much, and your staff, and the ranking member of the full committee for all of your hard work and diligence into getting where we are today. As we have heard from all of our members here today, this is a very, very important issue. And it is advancing safety. And that is our number one issue here is safety and moving it forward. And I look forward to continuing to work with you to get this done correctly. And I know we have had the -- we have all heard from our dealers back home starting

last week. And also, unfortunately, it falls on our staffs to help us along that way. But I look forward to working with you on that.

Ms. Schakowsky. Thank you.

Last week, Ranking Member Pallone and I suggested including an authorization of appropriations for the National Highway Transportation Safety Administration at \$354 million. That suggestion has not been incorporated into the current draft. We have heard from industry and safety advocates alike that NHTSA today does not have the staff or resources it needs to study AVs, write the standards, and provide proper oversight. Will you work with us to make sure NHTSA has the resources it needs to actually implement this legislation?

Mr. Latta. As before, I am very happy to work with you as we go forward on these issues.

Ms. Schakowsky. Okay. Let me ask -- there is another provision that Ranking Member Pallone and I suggested which did not make it into this draft, and that is prohibiting sale of used cars under recall. This is one of the best changes we could make to improve auto safety right now. Several automakers have already started to require repair of recalls before a used car is sold. Unfortunately, dangerous used cars are still being sold. Even our own government has auctioned used cars under recall through the General Services Administration. I understand that the majority does not want to address used cars under recall in this legislation. Would the chairman commit to work with us on future opportunities in this Congress to reduce the number of

used cars under recall being sold? I yield to you.

Mr. Latta. Well, thank you, very much, to the gentlelady for yielding. And, again, as we all know, my door is always open and always happy to sit down with you and discuss these issues. Absolutely.

Ms. Schakowsky. And on the question of timing, we have made good progress on the negotiation so far. However, the issues we still have to work out are important and complex.

I want to get there. And I -- but I know it may take time. And I am confident that we can get there. I am not confident that we can get there in a week. We should not move to full committee markup if text is still in brackets. And I hope the majority will give us the time to do this right. Can we discuss the timing?

Mr. Latta. The gentlelady yields.

The one thing I am always kind of worried about in this place, if we don't kind of put a time on ourselves and keep things moving. We want to make sure this is done right and get the right language. And as has been discussed from different members on the majority and the minority side, especially when it comes to the auto dealer language, we want to make sure we have that done, especially on the franchise side. So I would really like to keep to the timeframe we have right now. But, again, we need to talk with each other, and hopefully we can get this language worked out. Because I think it is important that we, again, to keep the time limits on ourselves, keep things moving.

Ms. Schakowsky. Let me just say my goal, also, is to move this along. But we know that even if we have a full committee markup next

week, that it is not going to get voted on until after the recess. So I hope that as we move as quickly as possible, that we do due diligence, and I look forward to at least having a conversation about that. Thank you.

Mr. Latta. Thank you. Thank you very much.

Ms. Schakowsky. And I yield back.

Mr. Latta. I appreciate that. Thank you very much. The gentlelady yields back.

The chair now calls up the discussion draft and asks the clerk to report.

[The information follows:]

***** COMMITTEE INSERT *****

The Clerk. Committee print to amend Title 49, United States Code, to provide the National Highway Traffic Safety Administration with authority over highly automated vehicles, to provide safety measures for such vehicles, and for other purposes.

Mr. Latta. Without objection, the first reading of the bill is dispensed with. And the bill will be open to amendment at any point. So ordered.

The chair recognizes himself for the purpose of offering a bipartisan amendment in the nature of a substitute which is at the desk. And the clerk will report the amendment.

[The amendment of Mr. Latta follows:]

***** COMMITTEE INSERT *****

RPTR BRYANT

EDTR ROSEN

[11:00 a.m.]

The Clerk. Amendment in the nature of a substitute to the Committee Print, offered by Mr. Latta.

Mr. Latta. Without objection, the reading of the amendment is dispensed with. And if I could just yield to myself just to talk about the amendment in the nature of a substitute.

As part of our bipartisan process, the majority and minority worked up to the last minute to agree to as much bipartisan language as possible. Under our rules, that language had to be distributed by 10 p.m. Monday night. In reviewing that language, staff found some areas where they didn't feel the draft had accurately reflected the agreement or identified other tweaks of a technical nature.

This amendment reflects those updates to reflect the agreement as accurately as possible. I am sure that there will be other language that will need perfecting as we move forward and, of course, we still have a couple outstanding areas that need to be discussed. And we will continue to work together in a bipartisan manner, and I am quite hopeful that as we move through this process, we will resolve all remaining issues.

Are there any bipartisan amendments to the amendment in the nature of a substitute? The chair recognizes the gentleman from West Virginia.

Mr. McKinley. Mr. Chairman, I have an amendment at the desk.

Mr. Latta. The clerk will report the amendment.

[The amendment of Mr. Kinzinger follows:]

***** COMMITTEE INSERT *****

The Clerk. Amendment to the amendment in the nature of a substitute to the Committee Print, offered by Mr. McKinley.

Mr. Latta. Without objection, the reading of the amendment is dispensed with, and the gentleman from West Virginia is recognized for 5 minutes in support of his amendment.

Mr. McKinley. Mr. Chairman, the draft before us creates a Federal advisory committee within the Traffic Safety Administration that tasks subcommittees to examine the impact of highly automated vehicles on certain issues. The amendment I am offering with Mr. Welch from Vermont would direct the advisory committee to include examining the impact of highly automated vehicles in rural communities and areas of the United States that present geographic challenges.

Rural communities, obviously, present different challenges from cities and suburbs. An individual from a town of 100 using an automated vehicle or trying to get to a doctor's office is far different than it is for someone in a community of a million going four blocks to get to their doctor's office.

Mr. Chairman, the overall issue that I heard time and time again during the opening remarks is about safety. And all of us want to know if a highly automated vehicle is going to be safe enough to place our 6-year-old granddaughter as that vehicles travels in potentially challenging geographic areas.

So as we proceed through this committee process, I am looking forward to ensuring that these important topics like that are included in the Federal advisory committee's workplace.

Mr. Chairman, I was intending to yield. Mr. Welch has returned, so I yield to Mr. Welch if he would like to add some comments to that.

Mr. Welch. I do. And thank you, Mr. McKinley.

It is different in rural areas. There are different challenges. If you go on Google Maps and want to visit my home, you are welcome to do that. I live on a dirt road, but Google Maps sends you up a place that is like a horse trail. You are a tough guy from West Virginia, so you would probably make it, but somebody like Leonard Lance driving his fancy car would have a hard time. So there are real --

Mr. Lance. Point of order.

Mr. Welch. There are real challenges in rural America. It is everything from the mapping system and whether the car is going to be able to navigate some of the roads in rural America; but also, it just has a lot of different challenges.

So I appreciate your amendment, and I know we will be working on this later, but I thank you very much.

I yield back.

Mr. Latta. The gentleman from West Virginia.

Mr. McKinley. Mr. Chairman, in wrapping up. We understand that we have got a bipartisan agreement thus far on this bill. So, rather than muddy the water at the committee stage, we just want to lay the groundwork to where we can know that something like this will be addressed in the coming days as we come to a final bill ultimately.

So at this point, Mr. Chairman, I will withdraw the amendment from this committee, this subcommittee work, and look forward to working

with you as we try to work these kinds of languages into the final bill.

Mr. Latta. The gentleman withdraws?

I am sorry. The gentlelady from Illinois.

Ms. Schakowsky. I would like to comment on that. I think that your amendment is well-considered, and I am happy to work with the chairman on addressing this issue on a final draft.

I also want to defend and associate myself with Representative Lance as a person from Chicago. I think we need to stick together and, you know, defend ourselves against these rural people who don't understand our situations.

I yield back.

Mr. Latta. Well, that is bipartisanship.

And if I could also say, also in the last Congress, the gentleman from Vermont and I co-chaired the rural -- well, we still work on the Rural Caucus here in subcommittee and in full committee, but we also did the Internet of Things. And one of our working group meetings was on the specific topic. And we all know how important it is, so we will continue working on that. And I appreciate it. Thank you.

Are there any other bipartisan amendments to come before the committee? Are there any other amendments to come before the committee? The gentleman from California is recognized. The clerk will report the amendment.

The Clerk. Amendment to the amendment in the nature of a substitute to the Committee Print offered by Mr. Cardenas of California.

Mr. Latta. Without objection, the reading of the amendment is dispensed with, and the gentleman is recognized for 5 minutes in support of his amendment.

[The amendment of Mr. Cardenas follows:]

***** COMMITTEE INSERT *****

Mr. Cardenas. Thank you, Mr. Chairman.

My amendment would make the cybersecurity provisions outlined in the bill applicable to all vehicles across the board, regardless of the level of automation. In an increasingly connected world, cybersecurity protections are important for all vehicles, especially in areas like encrypting communications, links, or protecting safety-critical data. Cybersecurity and cyber threats are rapidly evolving and have the potential to cause greater and greater damage. Ensuring that companies develop their own adequate cybersecurity measures for all vehicles is key. American businesses of all sizes are taking active steps to protect themselves and their customers from the cyber threats they are faced with every single day.

As you know, cyber threats are not limited to autonomous vehicles, though it is true that they are especially scary when you think about a vehicle that is controlled entirely by a computer. Many of the vehicles that are currently on our roads are already connected to the internet, making them potential targets.

My amendment recognizes this across-the-board threat and makes the cybersecurity provisions in the bill applicable to all vehicles in the United States. Many of our auto manufacturers, whether they build automated vehicles or not, are already proactively engaged in identifying vulnerabilities, safeguarding against cyber threats, and tackling cyber problems in real time. Many already embody the spirit of the cybersecurity section in this draft bill. The auto ISAC, for example, is an incredible information sharing resource that goes beyond

cybersecurity awareness, and really works to promote best practices across the industry. Their mission is not limited to autonomous vehicles and neither should this section of this bill.

I am encouraged that this bill addresses the cybersecurity challenges our businesses are facing, in order to hold us all to the high standard our industry is worthy of and prevent businesses from falling behind. As we move forward with this legislation, I would be happy to talk about how to apply these ideas to all internet-connected vehicles.

Once again, I thank you, Mr. Chairman, for being recognized, and at this time, I withdraw my amendment and I yield back the balance of my time.

Mr. Latta. Thank you very much. The gentleman withdraws the amendment and the chair -- I am sorry, the gentlelady from Illinois.

Ms. Schakowsky. If I could just briefly comment on that. I want to thank my colleague for bringing to our attention how important cybersecurity is in the auto market today. Our cars are increasingly computers on wheels, whether autonomous vehicles or not. And regardless of whether we do it in this bill, I agree that our subcommittee must work to examine and address cybersecurity threats for all vehicles.

I look forward to working with Congressman Cardenas on this issue, and I think members on both sides of the aisle are interested in addressing this issue. So we are certainly happy to discuss it as we move forward. Thank you.

Mr. Latta. Thank you very much. The gentlelady yields back. Are there other amendments to come before the subcommittee? The chair recognizes the gentleman from Illinois. For what purpose does the gentleman seek recognition?

Mr. Kinzinger. Thank you, Chairman. I have an amendment at the desk.

Mr. Latta. The clerk will report the amendment.

The Clerk. Amendment to the amendment in the nature of a substitute to the Committee Print offered by Mr. Kinzinger.

Mr. Latta. Without objection, the reading of the amendment is dispensed with, and the gentleman from Illinois is recognized for 5 minutes in support of his amendment.

[The amendment of Mr. Kinzinger follows:]

***** COMMITTEE INSERT *****

Mr. Kinzinger. Thank you, Mr. Chairman. I will make it brief.

As we have discussed previously, public acceptance and adoption of this technology is essential and critical to its ability to reach full potential and to reduce the number of traffic fatalities. Addressing concerns about cybersecurity is an important piece of building trust and assuring the public that these vehicles are, in fact, safe to deploy.

I commend the committee for including a section in the bill requiring developers of highly autonomous vehicles to have cybersecurity plans in place. However, I think this section should be improved to ensure any cybersecurity blind spots can be addressed early, through partnership and collaboration. We have seen through the Automotive Information Sharing and Analysis Center that collaborative efforts lead to best practices and identification of vulnerabilities. We have an opportunity today to learn from this model and to build on its successes.

My amendment will ensure a level of accountability and oversight of the cybersecurity aspect by requiring the cybersecurity plans be approved by the advisory council created by this legislation. As written, the draft bill provides no mechanism to ensure the cybersecurity plans fulfill the requirements of the section.

I do look forward to working with the committee and anyone else that is interested in improving this section of the bill, an understanding of how we are going today and some potential changes before full committee.

I will ask unanimous consent to withdraw my amendment, and I will yield back.

Mr. Latta. Without objection, the amendment is withdrawn.

And the chair now asks are there any other amendments to come before the subcommittee? For what purpose does the gentleman seek recognition?

Mr. Lujan. Mr. Chairman, I have an amendment at the desk.

Mr. Latta. The clerk will report the amendment.

The Clerk. Amendment to the amendment in the nature of a substitute to the Committee Print, offered by Mr. Lujan.

Mr. Latta. Without objection, the reading of the amendment is dispensed with, and the gentleman from New Mexico is recognized for 5 minutes to support his amendment.

[The amendment of Mr. Lujan follows:]

***** COMMITTEE INSERT *****

Mr. Lujan. Thank you, Mr. Chairman.

My amendment is pretty straightforward and minimally intrusive. It simply requires that the different industries that are developing and operating connected cars and autonomous vehicles have privacy plans in place for consumers.

Many of the manufacturers and operators of autonomous vehicles are already being proactive on this issue, and I applaud their efforts. However, with the proliferation of connected vehicles becoming ever more complicated to consumers and the collection of data much greater, it is even more critical that we ensure that the connected car ecosystem is respecting consumers' privacy and giving them choices.

When someone decides they want to sell a car, how easy is it for them to clear their personal data off that vehicle? How do the procedures for managing personal data change from car to car? When you plug your smartphone into the vehicle, is it collecting data proactively? Are you being presented the option to opt in or opt out the moment you first see it?

You know, I know that when everyone that is still on iTunes -- there are a few of us that are older in our years that still subscribe to many different technologies out there -- how many of you are reading that full agreement before you just want to hear that next song get played?

There needs to be an effort to make this in a very simple, clear platform to folks. We have talked about successes. I know that Chairman Walden and Ray Baum have been instrumental in efforts with

truth in billing, whether it is on our mobile phone bills or things of that nature. I like to think of this as a bill of rights, if you will, just something that is very clear and concise, highlighting what protections are truly out there.

These are important questions for the entire IoT landscape, and my amendment helps to ensure that we are taking these questions seriously to Congress and encourage the proliferation of what is going to be coming our way with innovation and technology.

But in the end, the amendment asks that the practices of the entity with respect to the way personal information of vehicle owners or occupants is collected, used and shared; the practices of the entity with respect to choices offered to vehicle owners or occupants regarding the collection of, use and sharing of personal information; the practices of the entity with respect to data minimization; the identification and retention of personal information of vehicle owners and occupants; a method for providing clear and conspicuous notice to vehicle owners about the collection and use; a process for deleting personal information if the vehicle is sold, leased, rented, or otherwise occupied by any owner or occupant; a process for ensuring that third parties with whom personal information of the vehicle owners or occupants is shared/sold to, adhere to the entity's privacy policy; notice of theft of information.

And so, Mr. Chairman, I am hoping that there may be some commitment that we might be able to make with you and with the ranking member in this space. I also appreciate the language of Mr. Cardenas' amendment,

pertaining to all vehicles out there that have systems and computers as well.

This is something I understand and respect very much, the work in a bipartisan way of the committee, and I am hoping that there is a commitment that we can work together on this and, if so, I am open to withdrawing the amendment at this time and waiting until the full committee for further conversation.

Mr. Latta. Well, thank you very much. The gentleman withdraws his amendment. Are there any --

Mr. Lujan. Well, Mr. Chairman, I haven't withdrawn yet.

Mr. Latta. I am sorry.

Mr. Lujan. I am hoping to get a commitment before I take the next step.

Mr. Latta. As I have said to the ranking member of the subcommittee, you know, the door is open that we can keep working on the language of the bill.

Mr. Lujan. I will take that, Mr. Chairman. To my ranking member, this rural boy from New Mexico appreciates being able to work with our big city friends as well in making sure that all of these aspects are included.

And with that, Mr. Chairman, I withdraw the amendment.

Mr. Latta. The gentleman withdraws.

Okay. Now we are going to go back to West Virginia, to the country roads.

Mr. McKinley. Thank you, Mr. Chairman. I have an amendment at

the desk.

Mr. Latta. The gentleman has an amendment at the desk. The clerk will report the amendment.

The Clerk. Amendment to the amendment in the nature of a substitute to the Committee Print offered by Mr. McKinley.

[The amendment of Mr. McKinley follows:]

***** COMMITTEE INSERT *****

Mr. Latta. Without objection, the reading of the amendment is dispensed with, and the gentleman from West Virginia is recognized for 5 minutes in support of his amendment.

Mr. McKinley. Thank you, Mr. Chairman.

All throughout this hearing process, we have all heard repeatedly this morning everyone's concerns for consumer safety associated with this new technology. I have expressed, time and time again at our hearings, that I believe that the engineers and technicians will eventually work out the technical difficulties that could be developed or that we could encounter; but I do believe, Mr. Chairman, that we need to add another level of safety in this process.

There will be tremendous profit motive pressures to be the first company to develop the autonomous vehicles and get them on the highway. As I have raised this issue in the past, I believe we need to have an independent process to verify, such as the IV&V, independent verification and validation of the software.

Now, for those of you -- and we raised that during the hearings about that and I saw a lot of blank faces. I would strongly encourage you, those of you that have your smartphones, is to get out and try to find out, learn about IV&V. Because what we are going to find out is that this process is a risk management tool that is used throughout government, and it is used in the private sector as well, to give us some increased comfort that the software that has been developed works, works under all conditions.

Now, we know from history that we have had some -- when we have

tried to rush things, mistakes happen. We had that with the shuttle accident with NASA that occurred back in 1986. We tried to move something. As a result of that, NASA was one of the first government agencies to develop an IV&V so that they could do that verification of the software, because you don't want to have spacecraft on its way to Mars and when you push the signal to use the thruster on the left and it doesn't work, and we lose billions of dollars in that effort. We want to verify how this is going to work under all circumstances with it.

We also know there is an example that we did not use -- and, again, the people testified here during the hearing -- when we came out several years ago with ObamaCare's website, all the flaws in the website. They didn't verify, and they didn't validate that their software was going to work. And we spent nearly \$1 billion -- that is with a B -- to clean up the mess that occurred. If we had just used IV&V, we could have saved a lot of headache and a lot of taxpayer dollars.

So I want to learn from our mistakes and not repeat them. The National Society of Professional Engineers has been pushing for this verification since the beginning of this topic. How we find -- slow down the industry a little bit and get the verification. The software, indeed, will work. Now, we are not talking about -- we are not talking about new agencies or larger government, because there are already IV&V already embedded throughout the Federal Government.

And, Mr. Chairman, it is also in the private sector, numbers of companies. When you get on your smartphone, you are going to see quite

a few companies are doing quite well doing the verification and validation of our software, America's software.

So we know in the Federal Government, we have it in the FDA, we have it in DOD, and we certainly have that capability with NASA. Let's just slow down and make sure that whatever is coming out -- its profit motive is going to be huge -- let's make sure that this things works. And we have that capability.

I want to be able to -- I want to put my granddaughter in a car some day and not ever worry that she is going to be able to get to where she needs to be. And I think if we do a little bit of homework to make sure that we have got risk management tools that have been tested in the marketplace that we are going to be okay, that we are going to have something that we can trust putting out on the market for people.

So my amendment requires the agency to take into account of this third-party verification, when they establish their approval process. They don't have to start a new agency, just contract with somebody, just verify this thing works, give us all a greater sense of comfort.

With that, Mr. Chairman, I know, as we have said earlier, we have talked about this. We weren't able to get it into this draft at this stage on that, and I know that we are going to be pushing as we go down -- we have got an agreement now on this one. I am willing to withdraw that as long as I can hear from you that this concept of IV&V, verification of risk management, control over our software, can be considered as we develop this bill into the future.

Mr. Latta. Thank you very much. The gentleman yields.

As I have told everyone, we want to make sure we keep working, because, again, we have to make sure that safety first, safety last, safety always. And those are commands I hear a lot. And we want to make sure, so we will continue working with you on that.

And so the gentleman withdraws his amendment?

Mr. McKinley. I will withdraw as long as I understand that as we come to our final bill, we will have more safety -- we will have verification of software can be included in this.

Mr. Latta. And as I said, our staffs will all be working together.

Mr. McKinley. Thank you very much. I withdraw the amendment.

Mr. Latta. Are there any other amendments to come before the subcommittee this morning? Hearing none, if there is no further discussion, the vote occurs on the amendment in the nature of a substitute, as amended. All those in favor shall signify by saying aye. All opposed, nay. Nays? Hearing none, the ayes have it. The amendment in the nature of a substitute is agreed to.

The question now occurs on forwarding the discussion draft to the full committee, as amended. All those in favor, say aye. Those opposed, nay. The ayes have it and the bill is agreed to.

Without objection, the staff is authorized to make technical and conforming changes to the legislation approved by the subcommittee today. So ordered, without objection.

The subcommittee stands adjourned.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]

