

## Policy Alert

February 12, 2016

### If you read one thing...

- President Obama includes a \$4 billion plan in his FY 2017 budget proposal to promote autonomous-vehicle deployment.
- NHTSA commits to work with stakeholders to develop guidance for the deployment of safe autonomous vehicles within six months.
- The proposal establishes "proving grounds" for autonomous-vehicle testing throughout the country.



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### The President's FY 2017 Budget Request for Autonomous Vehicles

In recognition of the significant technological advancements around autonomous vehicles, federal policymakers are beginning to recognize the need for consistent and workable statutory and regulatory regimes to ensure the safe and reliable deployment of autonomous vehicles. Automobile manufacturers, suppliers, technology companies and potential user communities, among other stakeholders, are continuing to innovate at a pace requiring enhanced understanding and potential oversight at all governmental levels. Innovators, for instance, will need a flexible spectrum environment that allows them to address vehicle-to-vehicle and vehicle-to-infrastructure communications as they continue to develop sensor technology for communications, radar technology for collision avoidance, LADAR/LIDAR technology designed to assess distance and additional sensor technology that can provide data analytics about the condition of the vehicle.

In the federal budget proposal just released to Congress on February 9, 2016, President Obama proposed a series of funding initiatives that are intended to serve as an impetus for addressing this innovation, which could propel meaningful dialogue at the federal and state levels. At the same time, the president's budget proposal requires congressional approval, which may pose initial challenges to implementing the autonomous-vehicle proposal.

During his final State of the Union address, President Obama outlined a \$4 billion plan intended to transition the United States to a "21st century transportation system." The 10-year spending plan, detailed in the FY 2017 budget request that President Obama delivered to Congress, consists of major investments in autonomous-vehicle research and development. The president's budget proposes to fund these, and a range of other investment programs, through a new \$10.25-per-barrel fee on oil.

Under the president's plan, approximately \$200 million would be made available in the first year, and an average of \$400 million per year for the remaining nine years, for pilot programs throughout the country to

facilitate consistent state regulations governing autonomous vehicles and to accelerate testing of such vehicles. Highlighted below are key elements of the president's proposal, including directives for the Department of Transportation (DOT) and the National Highway Traffic Safety Administration (NHTSA) concerning autonomous-vehicle deployment:

- directs NHTSA to work with stakeholders to develop guidance for safe deployment and operation of autonomous vehicles within six months
- directs NHTSA to work with states and other stakeholders to develop a model state policy for autonomous vehicles to facilitate a consistent national policy within six months
- establishes designated corridors (pilot projects) for connected-vehicle systems testing; this program would identify localities to serve as "proving grounds" for autonomous self-driving and connected vehicles in urban and highway settings
- encourages manufacturers to submit "rule interpretation requests" to NHTSA where appropriate to help enable technology innovation, and to submit requests for use of the agency's exemption authority to allow the deployment of fully autonomous vehicles; exemption authority allows NHTSA to enable the deployment of up to 2,500 vehicles for up to two years if the agency determines that an exemption would ease development of new safety features
- provides \$55.6 million under NHTSA's Alternative Fuels, Electronics and Emerging Technologies program to conduct research and development to establish a common understanding of the performance characteristics necessary for fully autonomous vehicles to realize their safety potential
- directs DOT and NHTSA to consider seeking new statutory authorities when necessary to ensure that fully autonomous vehicles are deployable once the safety of the vehicles has been demonstrated.

U.S. Transportation Secretary Anthony Foxx has emphasized that the administration will not seek to preempt state authority over highway safety with a single national policy, but will nonetheless work with states to ensure a workable, consistent regulatory regime for autonomous vehicles.

Review of the president's budget request now shifts to Congress, where prospects for the autonomous-vehicle proposal may be complicated by the dynamic political environment that is typical when Congress receives the president's annual submission, and it can be especially challenging during an election year. Moreover, congressional Republicans have already declared opposition to the oil fee that would fund the autonomous vehicles and other key programs outlined in the president's budget. Setting aside the funding issue, a number of the autonomous-vehicle provisions in the budget request are actions over which DOT has authority, under existing law. As such, this request should be viewed, in part, as a message to the public of the course the administration intends to take, as well as an impetus for ongoing federal attention to an area where innovation continues to outpace governmental action.

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