



September 13, 2016

Rep. Bradford Jacobsen
Chair, Committee on Communications and Technology
895 HOB
124 North Capitol Avenue
Lansing, MI 48909-7514

Dear Chairman Jacobsen and Members of the Communications and Technology Committee:

Google welcomes Michigan's active interest in encouraging the development of autonomous vehicle (AV) technology and advancing the promise of AVs to improve traffic safety and mobility on Michigan's roads. As the legislature considers updating its laws governing AVs in pursuit of those objectives, we would like to offer comments on SB 995 and SB 997 currently before your Committee.

While the current bill coming out of the Senate may be suitable for traditional motor vehicle manufacturers, we are concerned that ambiguities in two of the definitions in SB 995 and SB 997 could be read to exclude other innovative AV technology companies such as Google from operating in the State:

- A definition of "motor vehicle manufacturer" that would require AV manufacturers to have "**distributed**" **motor vehicles** in the United States before being permitted to participate in SAVE projects. One interpretation of that definition would exclude companies, like Google, that manufacture AVs or AV systems but do not currently sell the vehicles.
- A provision requiring that AVs operating in non-SAVE project on-demand AV network fleets must be "**supplied or controlled by a motor vehicle manufacturer.**" That could be interpreted to exclude vehicles supplied by a vehicle manufacturer that another company, like Google, modifies with automated driving systems.

Michigan has a proud history as the home of automobile innovation in the United States and can foster the deployment of life-saving AVs. We urge you to consider these small but crucial amendments to the bills to ensure that investment and deployment of AV technology is not inadvertently discouraged in the State, and that Michigan residents benefit from all manufacturers' contributions to AV technology and safety. Please find attached our detailed suggestions, which we would be happy to discuss in more detail with you at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to be "JK" or similar initials, written in a cursive style.

John Krafcik
CEO, Google Self-Driving Car Project

cc: Sen. Mike Kowall, Senate Majority Floor Leader
Kirk T. Stuedle, Director, Michigan Department of Transportation

1. **Concerns With "Motor Vehicle Manufacturer" Definition:** SB995 and SB 997 define a "motor vehicle manufacturer" as "a person that has manufactured and distributed motor vehicles in the United States...." This "distribution" requirement could be interpreted to exclude technology companies like Google that manufacture AVs and develop automated driving systems but do not sell vehicles, thereby limiting the range of participating AV companies in Michigan and reducing competition and innovation, while delaying the deployment of this life-saving technology in the state. We believe that the requirement to have motor vehicle manufacturers submit manufacturer identification information to the National Highway Traffic Safety Administration and certify their vehicles' compliance with federal motor vehicle safety standards provides sufficient protection against "hobbyists" or undercapitalized companies from operating in the state. We therefore recommend deleting the "*and distributed*" language.

Proposed Language: SB 995, Section 2b. (7) and SB 997, Section 2b. (7): "*Motor vehicle manufacturer*" means a person that has **manufactured motor vehicles** in the United States that are certified to comply with all applicable federal motor vehicle safety standards and that has submitted appropriate manufacturer identification information to the National Highway Traffic Safety Administration as provided in 49 CFR Part 566.

2. **Concerns With "Participating Fleet" Definition:** SB 995's and SB 997's definition of "participating fleet" allows non-"SAVE Project" fleets of automated motor vehicles "supplied or controlled by a motor vehicle manufacturer" to be used in on-demand automated motor vehicle networks. However, the definition is ambiguous as to whether it includes non-automated motor vehicles that are supplied by vehicle manufacturers and then modified with automated driving systems by technology companies such as Google. Given the ambiguity, there is a risk that this could be interpreted to prohibit modified AVs, such as Google's, from being deployed, which would reduce innovation and competition and discourage out-of-state AV companies from investing in Michigan. We suggest making clear that a "*manufacturer of automated driving systems*", such as Google, can also qualify as an entity that can supply or control vehicles under the definition of "*participating fleet*."

Proposed language: SB 995, Section 2b. (9)(B) and SB 997, Section 2b. (9)(B): "*Participating fleet*" means...(B) Vehicles that are equipped with automated driving systems that are operating on the public roads and highways of this state in an on-demand automated motor vehicle network, that are supplied or controlled by a motor vehicle manufacturer **or a manufacturer of automated driving systems**.