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Driving Automotive Innovation and Federal Policies
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Chairman Thune, Ranking Member Nelson, and members of the Committee, I appreciate the opportunity to testify today. Thank you on behalf of the automotive industry and developers of automated vehicles for your leadership in working to enact the AV START Act. There is an urgency for the Senate to pass the AV START Act because it will create for innovators a consistent national regulatory framework for automated vehicles necessary to advance the new mobility solutions that will positively transform American cities, provide mobility to the elderly and disabled, and ensure greater safety on our roads, a priority we share with your Committee and the Department of Transportation.

Passage of this legislation will allow us to realize the three transportation revolutions we so often talk about: shared mobility, electrification and automated vehicles, enhanced by digitalization.

Automation and digitalization are disruptive innovations, especially for automakers, and we are adapting to this new future. The clear societal opportunities and what their related technologies can offer is what is motivating us to rethink mobility in the most comprehensive way since the 1890s.

As the CEO of Silvercar, a disruptor in its own right (of the car rental business), and president of Audi Mobility U.S., I'd like to share some insights into where this new frontier of automated, electric, and shared mobility as a service is headed.

While some skeptics fear job dislocation from disruptive innovations, the fact is disruptors have created new categories of jobs that didn't exist before. Existing sectors will continue to expand and transform, and a range of new jobs will be created for workers across all skill levels.

Audi is in the innovation business. Audi perfected all-wheel driving on race tracks then offered that technology across our fleet. We were the first to take Google Earth mobile in our navigation system before it was on phones. We implemented LED lighting before it became an industry standard. As we enter what many call the "third wave of the technological revolution," the auto industry finds itself at the center of it all.

There will be more industry innovation in the next decade than the last century. The cost of batteries has gone down significantly, while the number of sensors in the average vehicle has increased dramatically thanks to innovations in everything from capacity to size. The way we want to access transportation, through the use and even ownership of vehicles, is fundamentally changing along with the other major consumer categories in our lives.

Innovation will continue to be our legacy, and our responsibility. But we won't be innovating just to sell more cars. We'll be innovating to reduce fatalities, ease congestion, lessen emissions, and improve mobility for all.

The most important benefit of this innovation is safety. The innovations I mentioned earlier all have one thing in common: *Safety*. All-wheel drive excels in the worst conditions. Navigation systems tell people exactly where to go so they spend less time on the road even as they keep their eyes on it. Our lighting illuminates that road with the closest thing to daylight. But here's the staggering reality: 1.25 million people die on our roads every year globally. And human error is the number one cause. Vehicle automation promises to improve safety on our roads, and reduce collisions by as much as 90 percent.

But it can also deliver basic *access* that tens of millions of people currently don't have. The elderly and those with disabilities will be able to move with far greater freedom and efficiency. In America, nearly 16 million people 65

and older live in communities where public transportation is poor or nonexistent. Six million people with a disability have difficulty accessing transportation.

For Audi, that's why we are delivering Level 3 automation as well as working to develop highly automated vehicles that need no human driver at the wheel.

Automated vehicles have the potential to reduce fuel use and carbon emissions since they are likely to be EVs, shared, and drive more efficiently than humans. And fewer crashes means fewer traffic jams.

We want to work together to address the challenges facing cities and communities like reducing fatalities, reducing congestion and pollution, maximizing scarce infrastructure dollars and optimizing transportation flows. The new mobility options we are pursuing and the legislation you are working on will help us address these challenges.