

**Remarks prepared for
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Automotive News Conference

**Coming of Age in China: How Global Companies Can Prosper in China; How
Chinese Companies Can Go Global**

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“Safety, Technology, and Consumer Choice in the American Market”

Good Afternoon. I thank you for the invitation to be a part of this dynamic conversation. I’d like to extend a special greeting to our hosts, and to all of our distinguished colleagues, guests, ladies and gentlemen.

One of the major concerns of the United States Department of Transportation is the burden that traffic crashes impose on the American people in terms of human and economic losses. In 2009, 33,808 people died on our roads and more than 2.2 million were injured. For 2010 we are estimating that the number killed will drop to 32,788, the smallest number of fatalities since 1949. The fatality rate, too, will be the lowest level ever recorded.

Despite these significant gains, the Department believes that this number of fatalities is still unacceptable.

And, in addition to this terrible personal toll, motor vehicle crashes have a tremendous economic impact on our society. In 2000, the estimated annual cost of traffic crashes was \$230 billion, more than \$820 per person then in the United States. We're updating those costs, but expect them to still be significant. While I am extremely encouraged by our progress in reducing crashes, fatalities and, hopefully, costs, I know we must remain vigilant.

So the timing of this conference could not be more appropriate.

Because traffic fatalities are just as serious on the global scale. The World Health Organization (WHO) estimates that more than one million people die and millions more are injured in traffic crashes worldwide and the global annual economic cost of road crashes is nearly \$600 billion.

There can be no doubt about the scale of the global challenge we face. Keeping people safe on the road is going to get exponentially tougher in the future. The Census Bureau estimates that in less than 20 years, the world population will reach 8 billion. By the year twenty-fifty (2050), the world's population will soar past 9 billion. The global car fleet is predicted to triple by 2050 – and more than 80 percent of that growth will happen in the developing world.

Last year alone, China experienced growth in vehicle sales at the rate of 32.4 percent over 2009 – to the tune of 18.06 million vehicles. Sales of passenger vehicles in 2010 were almost 13.8 million, an increase of 33.2 percent, and sales of commercial vehicles were 4.3 million, an increase of almost 30 percent. Total vehicle production increased 32.4 percent, reaching 18.26 million vehicles.

U.S. automobile manufacturers have contributed significantly to the Chinese market. Last year, GM was the top global automaker in China with sales of 2.35 million units, an increase of nearly 30 percent over 2009. GM and its partners have a 13 percent market share. Ford sales increased 40 percent to reach almost 600,000 units in 2010, which represents an overall 3 percent market share in this booming market. The partnerships and investment in local companies are most likely to further boost Ford sales and market share in China in the near future. Chrysler in 2010 imported more than 23,000 vehicles to China. Some of its new models, including the Chrysler 200 convertible and Fiat 500, should help Chrysler to achieve significant sales growth as well.

Nations that are now rapidly expanding their use of automobiles in their transportation system should take full advantage of lessons learned and the advancements already made elsewhere. Safe vehicle design plays an important role in increasing road safety, and it is an important part of what needs to be a comprehensive traffic safety solution that encourages the development of a national traffic safety culture in each country.

The motor vehicle industry plays an important role in helping build this culture. Consumers in the United States can now choose among vehicles produced in North America, Europe, or Asia. We also expect that producers that do not currently sell in the United States will begin doing so over the next several years. The same thing is true for parts suppliers, with North American, European, and Asian companies supplying original equipment to the vehicles sold in all countries.

So what lessons can the American market offer? How do we encourage safety and innovation? At NHTSA we believe we're on the threshold of a brand new safety era that will revolve around safe vehicle designs and emerging technologies. It took decades to convince the American Public that crashworthiness was key, but now we wholly embrace the idea. The next safety frontier involves technology and crash avoidance. NHTSA took the lead on this when we rolled out our enhanced government 5-star safety ratings system with the 2011 model year vehicles.

Among the things we changed – We added a family of crash test dummies and a side impact pole test. We established an overall safety score that will combine the star ratings from the front, side, and rollover programs. And, we implemented a program that we hope will encourage the demand for and use of advanced crash avoidance technologies.

The key is a communications program to tell the American public what it all means. We want them to understand why some of the new ratings are lower but more rigorous, and that those lower star ratings do not mean the vehicles are less safe than they were a year ago.

Most importantly, we want the consumer to embrace crash avoidance technologies as a way to make them safer. We want terms like electronic stability control, lane departure warning, and forward collision warning to become part of the consumer’s lexicon and comfort zone. We want to help keep the American consumer informed of what the safety thresholds are as newer and more sophisticated technologies emerge.

As vehicles continue to evolve, our concept of what is safe will change. Tomorrow’s generation of drivers will have wholly different expectations of their vehicles than we do. And so the concept of “safety” will continue to vary by who you are and what level of risk you are willing to accept.

We know that the crashworthiness of vehicles is an essential element to help people survive crashes. But we also know that the vast majority of crashes occur because of dangerous behavior. I'm talking about drivers who make poor decisions, including driving drunk, driving while distracted, and speeding, to name a few.

NHTSA's National Motor Vehicle Crash Causation Survey showed that in about 95 percent of serious crashes driver error was attributed to the event that precipitated the crash. Our outreach to consumers in this area is well-known with our national high visibility enforcement campaigns.

We are also hopeful that we can harness technology to mitigate the effects of these risky behaviors. For example, in early 2008, NHTSA and the Automotive Coalition for Traffic Safety entered into a cooperative research agreement to look at in-vehicle technology to prevent alcohol-impaired driving. Through this effort, we are exploring the feasibility, understanding the potential benefits, and identifying the public policy challenges associated with a more widespread use of in-vehicle technology to prevent alcohol-impaired driving.

We are seeking to develop technologies that can accurately and reliably detect alcohol impairment and prevent impaired drivers from starting or operating their vehicle. Rather than focusing on police detecting and arresting impaired

drivers on the road, this effort seeks to prevent an impaired driver from operating the vehicle.

This will be a long-term effort – but we are hopeful it will produce a technology that is completely invisible to the driver and could be widely installed on a voluntary, market-driven basis. We are now moving this technology out of the laboratory and into test vehicles. If this technology proves effective, our task then becomes educating the public about the potential life-saving benefits of having this technology installed in their vehicles.

It is clear that we cannot regulate or legislate risk away. It's already illegal to engage in any of these dangerous behaviors while behind the wheel, yet people continue to break the law.

The fact that I am referring to my iPad to talk to you today probably gives me away as a lover of technology. But I've got nothing on the generation of drivers coming up behind me. Their electronic gadgets, or should I say, mobile devices, are the lifeblood of that generation's entire social experience. This group demands to be connected at all times, and seemingly at all costs. Under Secretary LaHood's leadership, we are working to educate them about safety and distraction behind the wheel of a vehicle.

We are building momentum against Distracted Driving. In addition to reaching out to them, NHTSA is developing an evaluative framework for in-car technologies. Rather than react to every technology as it pops up and becomes a distraction, NHTSA needs a framework that clearly defines the danger zone for the driver — allowing us to keep pace with the industry, rather than playing catch-up.

We will not take a back seat while new dashboard or handheld *infotainment* systems are introduced. These have too great a potential to create more and more distraction for the driver. As part of our NHTSA Distraction Plan we are taking a hard look at developing guidelines and requirements for these systems. We have challenged the auto industry and the cell phone industry to work collaboratively with us to keep the driver focused on their required task: driving, and to keep them safe.

Ultimately, it is up to the driver to make safe choices when getting behind the wheel of a vehicle. But manufacturers can help by designing products with safety in mind, law enforcement can persuade them with high visibility enforcement, and we can educate them about the risks they are taking.

And in the near future, perhaps, the vehicle may step in to help as well. Our Vehicle Communications program includes vehicle-to-vehicle, as well as vehicle-to-infrastructure applications. We are extremely encouraged by the

research, analysis of the safety data, and the ongoing human factors work that all point to vehicle-to-vehicle as the next major safety breakthrough. In fact, vehicle-to-vehicle safety applications could address 80 percent of vehicle crash scenarios involving non-impaired drivers.

Data leads us to believe that we have the opportunity to apply these technologies in ways that could significantly reduce the number of crashes, injuries and fatalities on our roadways. Vehicle-to-vehicle is one of the main focus areas of NHTSA's safety research program, and our plan is to have the research supply the data necessary to enable an agency regulatory decision in the 2013 timeframe.

The success of this program will ultimately rest on the human factors and how the driver interacts with the system: the interface. The interface must produce a quick and appropriate reaction from the driver, yet it cannot increase the potential for distraction.

Any new safety technology will be properly researched before it moves to implementation. The vehicle communication safety applications must be effective at improving safety while not causing unintended consequences. The non-safety applications must be implemented so as not to increase the driver's workload or distraction which could increase the crash risk.

At NHTSA, we are committed saving lives on the American roadway. Our core mission is the protection of the American public. And the American public expects that the decisions we make will protect them. I believe that keeping the American public informed and involved in the safety dialog is part and parcel of protecting them.

Traffic safety is at the core of a free and dynamic global community. We must work together to ensure the safety of our people when they travel the roadways of any country – be it their home or not. We must continue to explore the use of advanced vehicle technologies as a resource for potentially saving thousands of lives every year. Exchanges like this conference are an important forum to share our lessons learned and best practices.

Thank you.#####