

Remarks by

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Good Morning Everyone,

It's a pleasure to be back in the Detroit area. I was just here for the auto show. It really was a wonderful thing to see. I've been to several Detroit Auto Shows over the years. I've been working in the automotive space from a policy perspective for over 10 years now. My first visit to the Detroit Auto Show with Secretary of Transportation Ray LaHood was not what the Detroit Auto Show was – we were in the midst of a tremendous downturn not only nationally but specifically in the automotive manufacturing sector.

The manufacturers had to take a step back in how they use the auto show, in how they presented at the auto show – It really did not feel like the auto show that we all know and love. The wonderful thing to see coming back here with the secretary again – He missed last year, but he came back again this year – was to see the auto show being the auto show again. All the manufacturers were not just fantastic in competitive offerings but really the sense of how the automotive manufacturing sector really is the key driver here in the United States.

For all of the manufacturers, whether you're based here in the Detroit Area or if you are from Europe or you're from Asia, to have the participation that we saw, it really does show what automotive manufacturing means, what technology and the component drivers mean for not only this country but frankly for global manufacturing and innovation.

It is a sight to behold. It was great to see that and also always great to come back to Detroit especially when there isn't 3 feet of snow on the ground at this point and time, so there is also a small blessing as well.

You have a fantastic panel. I saw the roster before I got here but to really see the luminaries already lined up, you pretty much got a very significant percentage of the automotive policy technology brain power in the United States right here.

I can't call myself an expert. I think the best thing that I can call myself is a very interested fan and spokesman of what we all love and care about: the future of automobiles – specifically from my perspective in the United States – because this is a global issue. It really is and to have this Megatrends conference, talking about safety, connectivity, and electrification – three of the keystones that we are working on at the National Highway Traffic Safety Administration.

It is our future. On a number of those, I'm happy to talk about a few things. I don't want to take up too much time because I really want to make sure that we get to the panel. I will have to fight hard to hold my own here. You have some of the best and the brightest in this space.

Our work at the National Traffic Safety Administration, frankly it is the most beautiful task you can ever have and one that never ends. How do we reduce

traffic fatalities and injuries in traffic crashes? For us it is a notion of recognizing your accomplishments in the short term but recognizing how much more work we have to do in the long term.

With our partners here in the United States, the manufacturers, our state highway safety leadership, we in the United States have managed to reduce the traffic fatalities rate by 25 percent since 2006. We lost a little less than 33,000 people to traffic crashes and fatalities last year, which is an enormous loss of life. It's enormous. But talking about from where we were and only thinking back to 2006 where we were losing 25 percent more people, in that short period of time it really did show the power of what good policy, great strategy, great manufacturing and great innovation can do. It also shows the work we have and the promise that we have in those particular technology pipelines.

Now, I want to talk a little bit about our work and our 5-star safety rating program. We have Dr. Lund here with IIHS and their fantastic top safety program. These two particular programs use the force of the market to drive and sell safety. Our two programs, and the Consumer Reports Program, all of them help to induce manufacturers to add technologies, to reach, to grow and strengthen their perspective of underlined protections whether it's crash worthiness which we've always been focused on in NHTSA.

Also now we've added the universe of crash avoidance to our 5-star safety rating program. The National Highway Traffic Safety Administration highlighted three particular technologies: Forward Collision Warning, Lane Keeping Assist Programs (lane departure warning), and also electronic stability control. Electronic Stability control is now mandated by law so from now on you will have ESC in every car.

Our agency is looking at what will be the next highlighted technology we'd like to encourage people to purchase when they make their automobile choices. It really is a brand new world when we think about safety. We're thinking about the notion of not only the forward crash warning systems, but also the crash imminent braking systems that we now see entering the market place. We're looking at the lane keeping assistance technologies that have active turning to actually maintain you in the middle of the road. All of these things in addition to a number of other fantastic technologies really are our future.

It's a kind of disruptive change that gets us from 33,000 lives lost to 22,000 lives lost to 10,000 lives lost. We work so hard – I know that Adrian's program and our program work so hard to focus on crashworthiness: how the car protects the passengers and driver in a crash. I think everybody on this panel will definitely tell you the best approach is to keep the crash from ever happening.

When I was a Senate Staffer a few years ago and had a tour of facilities here in the Detroit area, a lot of these things were on the drawing board and experimental.

And a lot of the automakers were saying, 'there is no possible way we can bring these to market.' They have to be auto grey – they have to be infallible. There are liability and policy concerns surrounding them – there are too many risks but they do show promise, but I'm not sure when we're going to get there. To see what we have available today is simply absolutely fantastic. Just to think of where we can be in the future as these technologies improve is going to be a fantastic future.

Now in addition to the general crashworthiness programs and the technologies that are already in the fleet, our next major step at the National Highway Traffic Safety Administration and frankly the Department of Transportation as a whole is connected vehicle technology: connected vehicle technology or vehicle to vehicle connectivity or vehicle to infrastructure. I guess we should just call it V2X because there's a lot of ability for vehicles to be connected.

We have been working on this notion of V2V, V2I for well over a decade now. I remember as a staffer in the senate, it just seemed as something that was never going to happen. But with our safety pilot that's being conducted here in Ann Arbor at the University of Michigan Transportation Research Institute – with the hard work that we have done, the Department of Transportation and specifically my agency NHTSA will be making an agency decision on vehicle-to-vehicle technology in 2013.

It's time to go fish and we are done cutting bait. I think the promise of vehicle to vehicle connectivity has tremendous promise. Our research has shown that V2V technologies can address up to 80 percent of crash scenarios involving non-impaired drivers. 80 percent, once again it's that disruptive change. It's how you get that huge leap forward. At a knowing collaboration with a number of our manufacturing partners that were a part of the pilots. We really do feel – at least from a leadership perspective for me and the secretary – very bullish on the prospect of V2V. Of getting that run into the ground and how we get that fully implemented into the fleet over the long term. It really does show great promise.

Because we are sort of talking about how the vehicle can help support the driver in the driving task, even as we are talking there are numbers of evolutions even with that as we talk about autonomous vehicles in the future. We still face particular risks that are behavior driven and we need to look at how technology can once again help protect and support the driver.

Distraction is something that the Secretary of Transportation has been fixated on and rightly so since the beginning of his service. It's something that we at the National Highway Traffic Safety Administration are recognizing and I think Adrian and has as well. We recognize there is a risk but I think that we all agree that the data is not where we all fully want it to be in recognizing what a driver can handle on board while they're driving.

I am a realist. People live a connected life. If any of you have teenagers, my wife and I we have teenaged god children and nieces and nephews not even teenagers yet. The notion of even having a face to face conversation now is frankly foreign. If they are in the same room and they're across the table what are they doing? They're texting each other, texting their friends. The notion of not responding to a face book post or tweet or a text in more than 30 seconds is seen as an insult to this generation. So trying to transfer that behavior pattern to folks that are going to be our drivers of the future is a difficulty.

Recognizing that this same generation, Generation Y, in looking at all the market data that I have been reading over the past few months about this, they're not even all that interested in driving. They're not running up – I remember when I was 14 years 364 days old, I was bugging my parents to death to take me to DMV to get my learners permit. Generation Y doesn't care. I'll get my license eventually. Mom and Dad can drive me. I'll take public transportation. I don't want to be bothered with it. Even an more interesting stat from IHS global insight and their automotive folks is that their vision of ownership is different. They're not interested in owning a car. They live in a universe where they really don't own things. They leverage data. You have an itunes library you don't have records. You don't have cassettes. You have data, you don't own stuff. Owning stuff is a pain.

So now we have manufacturers that are now trying to figure out how do you market to this generation to get them interested to buy cars. So what does that

mean? What are they interested in? A connected life and a connected way of being. So how do you integrate that into the vehicle within the zone of safety? A huge challenge for all of us. A challenge for the manufacturers, challenge for the agency.

But there is a zone of safety and our research plan, we're going to be promulgating our in vehicle guidelines very soon and then we are going to move on to our work on nomadic devices and then our work on hands free and cognizant distraction. Because it has to be data driven the decisions that we make recognizing the world that we live in and what the expectations are, we cannot ignore the fact you have one purpose behind the wheel of a car. That's to drive. Everything else is not even secondary or tertiary isn't necessary.

But recognizing how we can deal with a generation of people that have faster and faster nomadic devices, we have enforcement protocols, we have some great evidence that enforcement does work in dealing with distraction but it has to be aggressive and backed with a very aggressive advertising and outreach campaign. It takes time to get that sort of social change to demonize things. What do we do in the meantime when you have a person with a handheld phone with snapdragon processing power and a terabyte of ombytes and online storage that can basically access the planet at 60 miles an hour?

It has to be addressed. Not easy. But it's a challenge that I think that everybody here at this table in particular and I know a lot of other folks around the country are very fixated and interested in doing.

I'll wrap up on electrification. Now, folks are very knowledgeable about our work on next standards of CAFE 2017 to 2025, but I want to specifically talk about how it's driving a variety of technologies in the fleet and including the opportunity and the promise of electrifying the fleet.

The Obama Administration made a pledge of getting one million EVs on the road by 2015. This is a commitment based on the promise of what electrification means for us in terms of reducing our dependence on oil imports, on a cleaner environment, and frankly a more sustainable way of living especially in our more densely populated cities. Real opportunities here. Not only from our particular perspective of the National Highway Traffic Safety Administration are we thinking about and working on the fuel economy portion of all these technologies whether its electrification or whether its better dampening systems, whether its diesel or whether it's a number of those of technologies that manufacturers are leveraging to make the standards.

But once again, it's always about safety. It's the safety of lithium batteries or any other chemistry in the fleet and how we address it. How we can work with the manufacturers on strategies. How we set forth our standards in upgrading our

Federal Motor Vehicle Safety Standard 305. And a lot of the work that's going into regenerative engine systems. But let me make one thing clear, these vehicles have huge promise and are fantastically safe vehicles. So our work moves on encouraging the manufacturer to innovate and being able to maintain a playing field of safety for all the work that is being undertaken, not only here in the United States but around the world.

It's very interesting to hear Garry talk about the next megatrends, I had the opportunity to participate in the one in Washington, DC, and this is my second. My staff and I are actually going to India in about two weeks. We will once again be reaching out to the next major players in our manufacturing sectors as they grow, and especially as they think about entering into the United States to be able to sell vehicles. It's important being able to establish those relationships, being able to talk about safety expectations and future research plans and working collaboratively around the world. Whether it's the UN act for road safety or whether it's our global technical work for the UN, it isn't just simply finding the drivers for safety here at home in the United States. It really is working and leveraging with our partners, our stakeholders, and our peers around the world. Not only improving safety here in the United States but also raising the bar for safety for every other driver around the world.

Again thank you so much for this opportunity for allowing me to moonlight on this esteemed panel. I'm very much looking forward to hearing the results from

your fantastic conference over the next few days and again thank you for the opportunity this morning.