

INFORMATIONAL STATEMENT OF ADOPTED REGULATIONS AS REQUIRED BY
ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066
LCB FILE NO. R084-11
February 6, 2012

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) [chapter number]:

1. A description of how public comment was solicited, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Copies of the proposed regulation, notices of workshop and notices of intent to act upon the regulations were sent out for posting by electronic mail to all DMV offices and county libraries where there is not a DMV office. They were also made available on the Department of Motor Vehicles website at www.dmvnv.com/publicmeetings.htm.

A Public Workshop was noticed on November 30, 2011, and held on December 19th at the Legislative Building at 401 South Carson Street, room 3138 in Carson City. This was a video-conference workshop with the Great Basin College at 1500 College Parkway in Elko. An additional workshop was held on the 20th of December at the Legislative Counsel Bureau at 555 E. Washington Ave., in Las Vegas.

A Notice of Intent to Act upon the Regulations was noticed on December 30, 2011, and a public hearing was held on February 3, 2012 at the Legislative Building at 401 South Carson Street, room 3138 in Carson City. This was a video-conference public hearing with the Legislative Counsel Bureau at 555 E. Washington Ave., Las Vegas.

A recording of the Public Workshop and Notice of Intent to Act upon the Regulations is on file at the Department of Motor Vehicles, Management Services and Programs Division, 555 Wright Way, Carson City, Nevada 89711. Copies of these minutes may be obtained by written request to Attention Heather Hawkins-Fancher, Department of Motor Vehicles, Management Services and Programs Division, 555 Wright Way, Carson City, Nevada 89711.

**2. The number of persons who:
(a) Attended each hearing;**

Public Workshop:

- 9 people at the Carson City location;
- No one showed at the Elko location;
- 6 people at the Las Vegas location;

Public Hearing:

- 9 people at the Carson City location;

- 3 people at the Las Vegas location.

(b) Testified at each hearing;

Public Workshop:

- 2 people testified at the Carson City location;
- 0 people testified at the Elko location;
- 1 person testified at the Las Vegas location.

and

Public Hearing:

- 5 people testified at the Carson City location;
- 2 people testified at the Las Vegas location.

(c) Submitted to the agency written statements:

Comments were solicited using electronic mail and postings as described in both the Workshop and Hearing notices. Formal written comments from the automotive industry were submitted for the public workshop and hearing.

Public Workshop:

- The Alliance of Automobile Manufacturers
- Google Corporation
- DENSO International America, Inc.
- Global Automakers, Inc.
- State Farm Insurance Company

Public Hearing:

- United States Automobile Association (USAA)
- Google Corporation
- State Farm Insurance Company
- Alliance of Automobile Manufacturers
- Mr. Ralph Ong – Citizen from Caltech
- Property Casualty Insurers Association of America

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited using electronic mail and postings as described in both the Workshop and Hearing notices. As well, the notice of the public workshop and hearing were directly sent to all industry stakeholders who participated in the development of the draft regulations. The regulations for each public meeting were provided to the stakeholders as well.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

Changes were made as a result of comments from the industry stakeholder's. As well, the Department of Motor Vehicles made additional changes to the draft regulations as a result of further research.

5. The estimated economic effect of the adopted regulation on the businesses that it is to regulate and on the public. These must be stated separately, and each case must include:

(a) Both adverse and beneficial effects;

(Adverse Effects)

Points to make:

○ **Definition of Autonomous Vehicles:**

§ ***Stakeholder Concerns:***

Various auto manufacturers are slowly implementing autonomous like enhancements to their vehicles but at this point none of these enhancements fall under the States definition of "autonomous technology." Some automobile manufacturers believe Nevada should provide an exemption that would allow them to bypass the regulations based upon the requirement that all of their vehicles must pass the Federal Motor Vehicle Safety Standards (FMVSS).

§ ***Department Position:***

The State has made strides to ensure that "autonomous vehicle" definition within the proposed regulations provides more clarification to the stakeholders regarding what is not considered autonomous. Self parallel parking and other systems today require some type of human intervention to successfully operate the vehicle. The autonomous vehicle, per Nevada's definition, does not require human intervention to operate the vehicle. There is a clear distinction between the two systems. As well, the Federal Government has not created any safety standards for autonomous vehicles, so for the automobile manufacturers to convey that the FMVSS program satisfies the State's safety standards is incorrect. The Departments position is that any person or business who chooses to test or sell autonomous vehicles in our State must comply with our laws, administrative code, and policies.

○ **Testing program:**

§ ***Stakeholder Concerns:***

Some companies and automobile manufacturers have conveyed their concerns about not being specific enough in the regulations when it comes to the testing requirements within the proposed regulations. Auto test companies and manufacturers have successfully tested vehicles for decades under scientific and structured programs. With the creation of these regulations, there are some

stakeholders that believe the Department should incorporate the detailed testing requirements similar to what they use today. We have proposed that any person or business that chooses to test their vehicles in our State must provide proof to the Department that they've tested their autonomous vehicle(s) a minimum of 10,000 miles. This would be carried out in another State and/or in a formal testing facility.

§ Department Position:

In our discussions with the stakeholders and the National Highway Traffic Safety Administration (NHTSA), the proposed regulations are administrative rules and not the detailed technical safety standards similar to those created by the Federal Government and automobile manufacturers. The Department does not have the expertise to create the technical safety testing standards the industry is accustomed to, and does not have the qualifications to establish such requirements. However, due to the passage of AB511 the Department is required to establish "minimum safety standards." The Department is planning to create specific testing guidelines within their policy and procedures after the adoption of the regulations. Through these policies, the Department will be able to track who is testing within our State, require first hand demonstrations of their vehicle, and determine based on their technology where in our State they can test.

○ **Electronic Data Recording (EDR) System:**

§ Stakeholder Concerns:

The proposed regulations require an autonomous system that is being tested or sold to the public to have an electronic data recording system that will capture if a vehicle was in an autonomous mode at anytime within the last 30 seconds prior to an accident. This was requested by the law enforcement and insurance company stakeholders. Some automobile manufacturers have conveyed that this requirement would conflict with the National Highway Traffic Safety Administration EDR regulations (49 C.F.R. Part 563). As well, this requirement would affect the design and operation of the event data recorders that are already installed on vehicles today.

§ Department Position:

The Departments intent behind this prerequisite is to ensure that this data recording system is separate from existing federal EDR requirements that are designed for a specific technology – not autonomous technology. The intent is to have a physically separate system that will convey, prior to impact of the vehicle, if the autonomous system was engaged at anytime during the last 30 seconds. The Department has incorporated language in the regulations to provide the industry with flexibility in how they capture and store this autonomous data. The sensory data in that 30 second window of time can be recorded through one or more forms

of technology – cameras, laser, radars, electronic written report, etc... This will aid law enforcement, insurance companies, car owners, and even auto manufacturers in determining the facts behind an accident.

As well, after discussions with the National Highway Safety Administration to explain the separation between the autonomous recorder and the federal EDR system, this issue was no longer a concern. The federal agency also expressed that the current EDR systems are designed for a specific type of technology – not autonomous. Until federal standards are created, the Department reinforces its position to have language in the regulations that require the collection of sensor data.

After the February 3rd public hearing, the Department incorporated additional language from the insurance industry and automotive industry. The amount of time the sensor data had to be retained increased from two years to three. As well, language was inserted to further clarify that the autonomous sensor data collected by the mechanism – Sections 8 & 16 – does not authorize or require the event data recorder under federal requirements to be modified.

Some insurance companies have also voiced concerns on how the sensory data can be extracted, but the Department believes these standards will be addressed in time by the judicial court process, federal government and automotive industry. The regulations provide the administrative rules to ensure the data is available to law enforcement and the insurance industry, but it is not the Departments role to set the standards on how the information will be extracted.

○ **Certification of Compliance:**

§ ***Stakeholder Concerns:***

Manufacturers have concerns that if any autonomous technology is applied to their vehicles which were not developed by their company, they and/or the Nevada dealer would be held liable for any defects or noncompliance issues. The manufacturers have asked for the regulations to be modified so liability would be removed from their companies.

§ ***Department Position:***

This is a product liability situation that is handled today through the justice system. The facts of any product liability case will determine the judicial outcome, not the regulations.

(Beneficial Effects)

- *Nevada is the first State in the Nation to legalize autonomous vehicles prior to the technology being made available to the public. This technology will assist in reducing the number of auto accidents due to distracted driving and in many cases save lives, which is the most important benefit to this technology. Additional benefits are a reduction of insurance claims, reduced property damage claims, reduction in bodily injury medical costs due to accidents, etc...*

- *With the publicity of this ground breaking legislation other jurisdictions have indicated a strong desire to move forward in proposing their own legislation for autonomous vehicles.*
 - § *On January 4, 2012, the Florida House of Representatives and Senate submitted two bill drafts – HB1207 and SB1768 – defining “autonomous technology,” authorizing vehicles for testing, and preparing a report on the safe operation of autonomous vehicles.*
 - § *On January 23, 2011, Hawaii House of Representatives submitted HB2238. Their bill has strong similarities with Nevada AB511. Hawaii is proposing to adopt rules that focus on safety requirements, insurance coverage, testing, and a driver’s license endorsement.*
- Nevada will continue to be a template for many States as well as Federal agencies like the National Traffic Safety Administration (NHTSA). NHTSA is currently researching this technology and will eventually create safety standards, but it could take several years to complete. Having other jurisdictions adopt similar legislation will provide uniformity as well as produce safer highways.*
- *This new technology may allow for future economic growth in our State and open up engineering and manufacturing opportunities. As this technology is enhanced and perfected to produce a fully autonomous vehicle into the market, many current business approaches could be improved. Some examples are, but not limited to:*
 - § *Trucking companies could utilize the autonomous technology to assist long haul drivers and fatigue issues, which have caused accidents in the past.*
 - § *People who have medical conditions that are today disqualified from driving could possibly own a fully autonomous vehicle to transport them to any destination they choose.*
 - § *Taxi services could expand their services to pick up people without a driver and transport them to their destination. It wouldn’t eliminate drivers but it would allow the business to expand their services to transport more people and not be limited to the staff they can hire.*

and

(b) Both immediate and long-term effects.

Immediate Effects:

Once the regulations are adopted the Department will be developing and implementing the testing and driver’s license endorsement sections of the regulation so businesses can apply for the ability to test in our State. Certain businesses may decide to establish offices in our State for testing and future development opportunities.

Since the autonomous technology will not be available to the public immediately, the Department will be implementing the certification of compliance facilities and vehicle registration program requirements directly after completing the testing phase of this project.

Long-Term Effects:

Once this technology is available to the public and more people and jurisdictions

embrace these autonomous features there will be a steady reduction in auto accidents, property damage claims, bodily injuries and fatalities. This technology is truly a safety device to protect and save lives. National fatalities will start to drop as more jurisdictions adopt similar autonomous technology laws.

6. The estimated cost to the agency for enforcement of the adopted regulation.

The Departments Compliance Enforcement Division will be responsible for the inspections, random audits, and investigations of businesses that are licensed as a testing company and/or an Autonomous Technology Certification Facility. The estimated costs and impacts are unknown at this time.

7. A description of any regulations of other state or government agencies that the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

No overlapping or duplication.

8. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

No Federal regulations have been adopted for this technology. Nevada is the first in the Nation to pass this law and propose regulations.

9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The Department is adopting the fee structure from other established programs for the testing license plates, autonomous vehicle registration license plates, and driver's license endorsements. At this time, the Department is unable to determine the annual revenue projections for these fees.