

Testimony of  
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Subcommittee on Commerce, Manufacturing and Trade  
House Committee on Energy and Commerce

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## Executive Summary

- Global Automakers appreciates the Subcommittee's commitment to improving recall completion rates and exploring innovative ways to address new and emerging challenges associated with the development of advanced safety and connected vehicle technologies.
- Global Automakers believes an effective way to improve the recall remedy rate is to use state Department of Motor Vehicle (DMV) offices to notify vehicle owners of open recalls at the time they register or renew their registration.
- Global Automakers is pleased that the draft bill recognizes the substantial benefits associated with the installation of Dedicated Short Range Communications (DSRC) devices that allow cars to communicate with each other and with the surrounding infrastructure. Encouraging the fastest deployment possible of DSRC technology will spread the benefits of this life-saving technology more quickly and widely.
- As automakers pursue these connected car innovations and the benefits they bring, we recognize strong cybersecurity and privacy protections are essential to building consumer confidence.
- Global Automakers and the Alliance of Automobile Manufacturers have begun establishing cybersecurity best practices to build upon our joint development of privacy principles to protect consumer data and the Automotive Information Sharing and Analysis Center (Auto-ISAC) to address cyber threats.
- Global Automakers is continuing to review the draft bill and to analyze how the provisions relating to cybersecurity and privacy relate to industry efforts in these areas.

Mr. Chairman, Ranking Member Schakowsky, members of the Subcommittee, thank you very much for the opportunity to testify today. I am John Bozzella, President and CEO of the Association of Global Automakers. Global Automakers represents international automobile manufacturers that design, build, and sell cars and light trucks in the United States. Last year, our members sold 43 percent of the new vehicles purchased in the United States and produced 40 percent of all vehicles built here.

Mr. Chairman, thank you for your thoughtful work on motor vehicle safety and for holding this hearing today. Our industry has been in the news a great deal lately, and not always for the best reasons. This hearing gives us the chance to discuss our ongoing efforts to improve motor vehicle safety and enhance public trust through the research and development of new technologies.

The draft bill released last week contains a number of important ideas designed to advance our shared goal of improved motor vehicle safety. We appreciate the Subcommittee's commitment to improving recall completion rates and exploring innovative ways to address new and emerging challenges associated with the development of vehicles that not only actively avoid collisions, but talk to one another and to the surrounding infrastructure.

In the time available, I will focus on three especially important issues: 1) Recall notification during vehicle registration; 2) Adoption of connected car technology; and 3) Industry efforts to stay ahead of privacy and cybersecurity challenges.

Consumers should be informed of the recall status of their vehicles. Global Automakers believes an effective way to achieve this end is to use state Department of Motor Vehicle (DMV) offices to notify vehicle owners of open recalls at the time they register or renew their registration. We now have some initial data that suggests there is public support for this approach. In a recent survey commissioned by Global Automakers and the Alliance of Automobile Manufacturers, we looked at how consumers respond to and think about recall notices and found overwhelming support for the idea of receiving recall information from the DMV. Over 70% of those asked about this issue supported not only notification at registration, but a requirement that recalls be remedied prior to registration. More research needs to be done, but these initial results indicate the Subcommittee is moving in the right direction as it explores ways to increase recall completion rates.

We are also pleased that the draft bill recognizes the substantial benefits associated with the installation of Dedicated Short Range Communications (DSRC) devices that allow cars to communicate with each other and with the surrounding infrastructure – leading to fewer crashes, less congestion, and other potential benefits. The National Highway Traffic Safety Administration (NHTSA) agrees that this technology could be a "game changer," potentially addressing 80% of vehicle crashes involving non-impaired drivers. Encouraging the fastest deployment possible of DSRC will spread the benefits of this life-saving technology more quickly and widely.

The enormous benefits of connected car technologies outweigh the challenges that come with living in a connected world. As automakers pursue these innovations and the benefits that they

bring, we recognize strong cybersecurity and privacy protections are essential to building consumer confidence.

To ensure the security of safety-critical driving systems and to protect the privacy of consumer data, we have begun establishing industry-wide cybersecurity best practices. These best practices will allow automakers the flexibility to quickly and effectively respond to the dynamic nature of cyber challenges. This builds on steps we have already taken, such as the creation of industry privacy principles to protect consumer information and the launch of the Automotive Information Sharing and Analysis Center (Auto-ISAC) to share intelligence on immediate threats and vulnerabilities.

Last year, U.S. automakers took unprecedented steps to protect the privacy of consumers through the responsible stewardship of information collected from in-vehicle technologies and services and the meaningful disclosure of privacy policies and practices. We engaged with privacy advocates and the Federal Trade Commission (FTC) during the development of these principles. As early as January of 2016, all major automakers will be accountable to the FTC for these privacy commitments. We have questions about how the privacy provisions outlined in the bill would interact with the commitments that have already been made by automakers.

In August, U.S. automakers incorporated the Auto-ISAC. The Auto-ISAC will enable secure and timely sharing of cyber threat information and potential vulnerabilities in vehicle electronics or networks. By the end of the year, we expect the ISAC infrastructure to be fully operational.

Cybersecurity challenges in the “Internet of Things” are not unique to automakers. Any approach to address cyber threats should be consistent with approaches used in other industries.

Thank you again for the opportunity to appear before you today. I am happy to answer any questions you may have regarding my testimony or addressing portions of the legislation that I have not covered.

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