

EDITORIAL – European countries start building in frameworks for autonomous vehicles

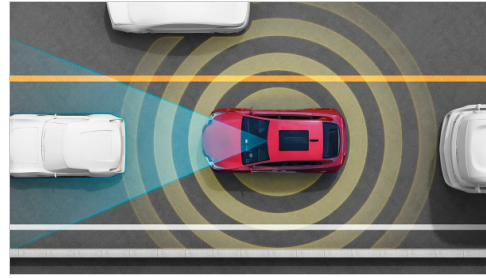
18-Jul-2016 14:17 GMT

S&P Global

Supply Chain and Technology, Automotive

Consultation and funding taking place in the UK and Germany

The United Kingdom is to undertake a consultation programme that is intended to pave the way for the use of autonomous vehicles on the country's roads. The Department for Transport (DfT), under the proposed measures, rules will be changed so that vehicles using this technology can be insured. Furthermore, the DfT will also make changes to the Highway Code and other regulations so that such vehicles will be able to change lanes and park safely. The statement also added that the government will launch a competition next month to disperse a further GBP30 million (USD39 million) from the Intelligent Mobility Fund to support the research and development (R&D) of self-driving technologies.



The UK government is keen to put the country at the forefront of new technological areas, and autonomous driving has been targeted as a key area. The consultation will take place over the next nine weeks, will provide support for the government to make changes to the rules of the road to smooth the way for the introduction of such technology and prevent some of the disputes that may arise. The focus on insurance – required by all drivers to some level in the UK – will also ensure that users of the technology are fully backed, with the amendments brought into force through the Modern Transport Bill.

Interestingly for carmakers and suppliers, while insurers will pay out to customers in the event of accident, the rules will enable the insurer to claim the money back from an automaker "if the vehicle is deemed to be at fault", according to the director of general insurance policy at the Association of British Insurers, James Dalton. With liability being pushed back on to OEMs and component suppliers, this will further increase the pressure to introduce systems that are infallible.

The announcement by the UK government comes as Jaguar Land Rover announced it will launch a test fleet of more than 100 autonomous vehicles over the next four years. The vehicles will operate on a 41 mile test route covering a variety of road conditions, as the automaker develops technology that enables cars to communicate with each other and detect hazards.

Tony Harper, head of research at JLR, said to the *FT*: "Our connected and automated technology could help improve traffic flow, cut congestion and reduce the potential for accidents.

"We will also improve the driving experience, with drivers able to choose how much support and assistance they need.

"In traffic, for example, the driver could choose autonomy assist during tedious or stressful parts of the journey."

Germany has also launched a EUR80 million (USD88 million) programme to support the development of automated and connected driving. The grants will be available through 2020 for research projects in the field of automated and connected driving. The new programme will be continuously monitored and controlled at state secretary level under the Federal Ministry of Transport and Digital Infrastructure.

The announcements come at a time when the industry is looking towards standardization and frameworks for AD development are echoed in the US, where Google and General Motors have urged US policymakers to draft uniform autonomous vehicle regulations. In testimonies submitted to the Senate Commerce, Science and Transportation Committee, the companies warned that different

sets of regulations in separate states are likely to hinder development of the technology.

"The worst possible scenario for the growth of autonomous vehicles is an inconsistent and conflicting patchwork of local, municipal and county laws," said Joseph Okpaku, GM's vice-president of government relations. Google, which has been a pioneer in the field, despite being an outsider, sounded a similar opinion.

"If every state is left to go its own way without a unified approach, operating self-driving cars across state boundaries would be an unworkable situation and one that will significantly hinder safety innovation, interstate commerce, national competitiveness and the eventual deployment of autonomous vehicles," said Chris Urmson, Google's director of self-driving cars.

While automakers and suppliers are keen to bring their self-driving systems to market, regulators have fallen behind in framing policies including identifying responsibilities in the event of an accident. Questions are also being raised over whether the current systems are ready for widespread deployment.

"In my opinion, the self-driving car community is woefully deficient in its testing and evaluation programmes... with no leadership that notionally should be provided by [the] NHTSA [National Highway Traffic Safety Administration]," said Mary Cummings, director of Duke University Humans and Autonomy Laboratory, in its testimony.

CONTACTS

The Americas

+1 877 863 1306

Europe, Middle East & Africa

+44 20 7176 1234

Asia-Pacific

+852 2533 3565

www.spglobal.com/mobility

Copyright © 2025 S&P Global Inc. All rights reserved.

These materials, including any software, data, processing technology, index data, ratings, credit-related analysis, research, model, software or other application or output described herein, or any part thereof (collectively the “Property”) constitute the proprietary and confidential information of S&P Global Inc its affiliates (each and together “S&P Global”) and/or its third party provider licensors. S&P Global on behalf of itself and its third-party licensors reserves all rights in and to the Property. These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable.

Any copying, reproduction, reverse-engineering, modification, distribution, transmission or disclosure of the Property, in any form or by any means, is strictly prohibited without the prior written consent of S&P Global. The Property shall not be used for any unauthorized or unlawful purposes. S&P Global’s opinions, statements, estimates, projections, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security, and there is no obligation on S&P Global to update the foregoing or any other element of the Property. S&P Global may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. The Property and its composition and content are subject to change without notice.

THE PROPERTY IS PROVIDED ON AN “AS IS” BASIS. NEITHER S&P GLOBAL NOR ANY THIRD PARTY PROVIDERS (TOGETHER, “S&P GLOBAL PARTIES”) MAKE ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE PROPERTY’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE PROPERTY WILL OPERATE IN ANY SOFTWARE OR HARDWARE CONFIGURATION, NOR ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO ITS ACCURACY, AVAILABILITY, COMPLETENESS OR TIMELINESS, OR TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE PROPERTY. S&P GLOBAL PARTIES SHALL NOT IN ANY WAY BE LIABLE TO ANY RECIPIENT FOR ANY INACCURACIES, ERRORS OR OMISSIONS REGARDLESS OF THE CAUSE. Without limiting the foregoing, S&P Global Parties shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with the Property, or any course of action determined, by it or any third party, whether or not based on or relating to the Property. In no event shall S&P Global be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including without limitation lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Property even if advised of the possibility of such damages. The Property should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions.

The S&P Global logo is a registered trademark of S&P Global, and the trademarks of S&P Global used within this document or materials are protected by international laws. Any other names may be trademarks of their respective owners.

The inclusion of a link to an external website by S&P Global should not be understood to be an endorsement of that website or the website’s owners (or their products/services). S&P Global is not responsible for either the content or output of external websites. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process. S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global Ratings’ public ratings and analyses are made available on its sites, www.spglobal.com/ratings (free of charge) and www.capitaliq.com (subscription), and may be distributed through other means, including via S&P Global publications and third party redistributors.