

Moving America: How Policymakers Can Accelerate Automation in Freight Transportation

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ITIF Report on Automation in Transportation

- Overview of current developments.
- Describes opportunities for automation in different freight industries including trucking, trains, and drones.
- Lists regulatory challenges.
- Suggests principles that should guide regulators as they oversee the implementation of new technology.



Basic Facts About Automation

- Automation does not reduce the number of jobs in the medium- or long-term.
- Automation boosts productivity, which is necessary for a rise in living standards.
- In many cases, automation produces better safety and performance than humans are capable of.
- Automation is a process, not a sudden result.

Automation in Freight Transportation

- Freight industries are experiencing a shortage of qualified workers, especially in trucking and airlines.
- Industries both compete and cooperate with each other to deliver millions of deliveries across the country.
- Each industry has a different regulator.
- If the U.S. does not lead in these technologies, others will.

Principle 1: Welcome Technology

- Technological advance will continue.
- Automation promises several benefits; lower costs, better safety, less pollution, and faster delivery times.
- Regulators should help the industry get the technology to where it needs to be while protecting public safety and confidence.

Principle 2: Acknowledge the Other Forces Encouraging Companies to Act Responsibly

- Industry has many incentives to act safely.
 - The high cost of capital sunk into a rail car or truck.
 - Tort laws that protect victims of an accident.
 - The need to maintain not just safety but also the public reputation for safety.
 - The importance of brand, consumer, and worker loyalty.

Principle 3: Allow for Different Technology Futures

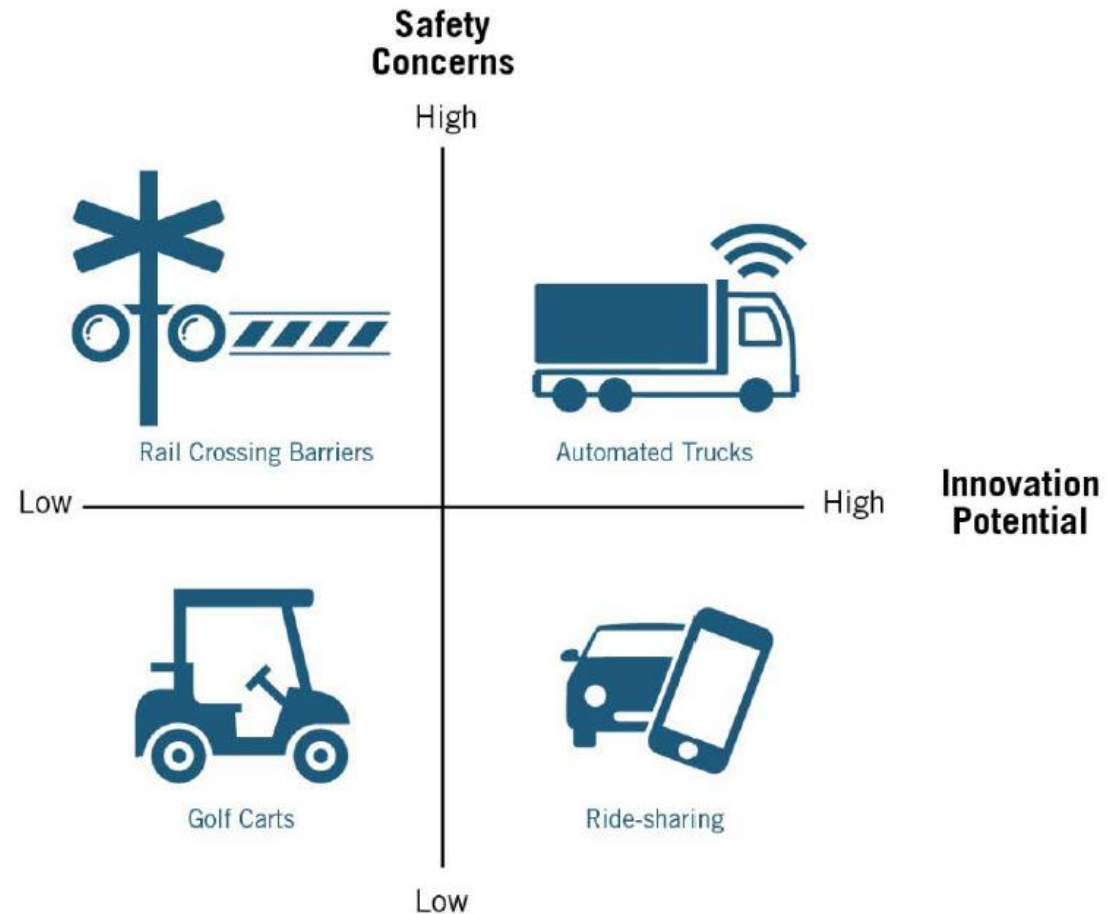
- Accept that change, including technology, is constant.
- Avoid a bias for the status quo and welcome the opportunity for better performance and price.
- Regulators should avoid favoring particular technologies or business models.

Principle 4: Distinguish Between Substantially Different Technologies

- Tailor regulation to specific technologies rather than treating all technologies the same.
- Allow technology to be introduced gradually.
- Be agnostic about which technology is chosen.

Principle 5: Prioritize Regulation According to Safety and Innovation Potential

- Concentrate on issues that have a high effect on safety and show significant potential for rapid innovation.
- Cases with few safety concerns and rapid innovation should be allowed to proceed rapidly.



Principle 6: Improve the Decision Process

- Rulemaking can take two years or more, not including court challenges.
- Write rules with broad safety and other standards that can be achieved by many technologies.
- Maintain a constant dialogue with industry to form a common understanding of what technology is capable of.

Principle 7: Provide Regulators the Necessary Resources

- Regulators must have resources to understand the latest technologies, make timely decisions, and do adequate enforcement.
- Need to adequately compensate and motivate skilled and competent regulators.

Thank You!

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