

Testimony before Senate Transportation Committee
SB 379 – providing for the use and regulation of autonomous vehicles
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In-Person testimony in support
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Mr. Chairman and members of the Committee

We are excited to have the opportunity to appear before you today on SB 379, which would establish the framework for Kansas to join the 44 other states which have autonomous vehicle policies.

In today’s environment, meeting the challenges of supply chain availability and the expectations of consumers that the products they need will be available on their local store shelves, Walmart has been a leader in innovation. The American Trucking Associations, Inc. estimated that in 2021 the truck driver shortage hit a historic high of just over 80,000 drivers. Their Oct., 2021 report goes on to estimate that the shortage could very well balloon to 160,000 by 2030. Walmart alone has a critical driver shortage and is currently offering salaries of over \$80,000 + benefits. We have even seen in the news that the trucking industry is considering lowering the standards and age requirement for drivers of the large rigs to address the shortage. I don’t know about you, but I have trouble backing my 14 ft. motorcycle trailer!

Kansas is one of only 6 states that has not addressed autonomous vehicles in law. We would like that to change and today we will be describing the successful system Walmart has in place in Arkansas and Louisiana, specifically. Walmart has partnered with industry leader Gatik to pioneer the first fully autonomous middle mile AV system. You will hear the particulars about that from the Gatik representatives we have on WebEx this morning.

Over the past several months we have conducted due diligence conversations with dozens of key individuals, legislative leaders, committee chairs, committee members, KDOT, the Governor’s office and members of labor, in an effort to inform stakeholders of what we are doing in other states and what we propose for this state’s first experience with AVs. And we listened to the

feedback we received. Those discussions succeeded in informing us of what our legislation should include. In our view, having no policy in place is not wise. Having the state needing to react to the technology if it comes to Kansas because of the absence of any specific laws or regulations regulating the use of AVs, is not prudent. We decided that the best public policy would be to ask the legislature to join the vast majority of states with AV policies in place.

In many states, legislation enabling and regulating the use of AVs is fairly broad. Kansas would certainly have that option. However, during our many conversations in the months leading up to this session, it became clear to us that, while there has been almost unanimous support for a Kansas AV policy, we needed to begin with a measured approach, one that included some initial “guardrails”, if you will. Accordingly, the bill you have before you would authorize AV use in a limited fashion initially.

Specifically, SB 379 would authorize and regulate AV use in Kansas to what is commonly referred to as the “middle mile”, i.e. the intrastate commercial movement of goods, in a business to business capacity, between two or more fixed points on fixed, repeatable routes. This is the model currently being fully utilized by Walmart and Gatik in Arkansas.

In other words, as drafted, the bill would not authorize “long haul” routes that cross state boundaries and involve the huge tractor-trailer rigs. While the definition of “commercial motor vehicle” in the bill refers to weights in excess of 10,001 pounds, what is contemplated in fact are the Class 3-6 straight axle trucks with 11-26 ft. boxes, with gross weights not exceeding 26,000 lbs. The bill would also not allow, at least initially, “last mile” operations such as business to consumer deliveries, passenger transportation, etc. Our goal is to authorize a system that is tried and true and we know works. Gatik has a 100% safety record in the space they are operating in.

You will hear more from the Gatik representatives about how all this works but part of the process of developing new middle mile routes is to start with an autonomous vehicle that has a safety driver in place for a period of time. That would be our plan and expectation here. In some of our conversations it was suggested that a specific period of time be required in the statute. We would be agreeable to an amendment that would have the safety driver requirement be set

at 12 months. That is ample time and something we could live with if that is the will of the Committee.

You will no doubt hear from folks who feel the bill is too restrictive. We understand that. We crafted our bill to meet the expectations of those we visited with. The Committee may wish to grant additional AV authority and we stand ready to address any questions, technical or otherwise, in that regard. As you know, many of today's automobiles are equipped with new technology that assists human drivers. The technology, ADAS (Advanced Driver Assistance Systems) does not make the vehicle an "autonomous motor vehicle". SB 379 would not affect or limit these systems.

We need to be clear that this should not be considered a Walmart/Gatik bill exclusively. The bill would authorize middle mile AV use by any and all entities wishing to operate in that space. What Walmart & Gatik represent is a partnership that has successfully deployed the technology elsewhere and is paving the way for others.

Safety is our number one goal. Although there is no federal law occupying the field for AV use in America, US DOT and the National Traffic Safety Administration (NHTSA) still have authority to protect safety and keep unsafe technologies off roadways through existing frameworks such as the Motor Vehicle Safety Act, defect and recall authority, investigative authority and civil penalties. NHTSA has also clarified in published guidance that there is a clear federal and state delineation of jurisdiction when it comes to AV regulation. Federal regulation oversees design, construction and performance. The states oversee operation and use. SB 379 specifically acknowledges the requirement of complying with all applicable state and federal laws and standards.

We know there will be many questions about this relatively new technology. That is why we have the experts here to further explain the plan and technology. With the Chairman's permission, we recommend that you hold questions until the Gatik representatives have presented, as they may well answer some of the questions committee members probably already have.

Again, thank you for the opportunity to testify and I'll be happy to answer any questions I am capable of answering at the appropriate time.

Walmart, the largest retailer in America, serves over 160 million customers each week and is committed to the State of Kansas and its prosperity. Walmart employs more than 22,000 Kansans and operates 83 stores in the state. In FYE 2021, Walmart collected on behalf of the State of Kansas more than \$423.6 million in sales tax and paid more than \$71.6 million in state and local taxes. Walmart also spent over \$634.8 million with local Kansas suppliers and donated \$7.6 million to charitable organizations in communities throughout Kansas in FYE 2021.