

## The AV Industry under a Biden Presidency



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Now that Joe Biden has placed his hand on his family bible, what might his administration mean for the near future of the autonomous vehicle (“AV”) industry? From his campaign’s early focus on infrastructure to the pressures of global competition, some believe the next four years will grease the wheels for AVs in the United States.

### Infrastructure as Accelerator

[President Biden’s campaign](#) had already made infrastructure a top priority for his administration, promising a “transformational investment in our country’s infrastructure and future: \$1.3 trillion over ten years, to equip the American middle class to compete and *win* in the global economy . . . to ensure that cities, towns, and rural areas all across our country share in that growth.” The initiative would, among other things, “encourage state and local governments to explore new technologies that can reduce accidents, including . . . vehicle-to-infrastructure communication, connected intersections, and other infrastructure-related innovations.”

If the administration is successful in following through with the infrastructure initiative, it could pave the way for many advances in AV utility. As [some have noted](#), for example, poor roads have presented significant obstacles to AV technology. By revamping our crumbling roads—and perhaps even by further refining self-repairing [smart concrete](#)—the initiative could provide a safer canvass for the development of AVs.

Beyond simply repairing roads, there are opportunities at the intersection of motorways and the cities they connect. President Biden’s administration aims to complement the U.S. Department of Transportation’s (“DOT”) [Smart City Challenge](#). President Biden has considered an annual \$1 billion competitive grant program to incentivize creative and disruptive ways to utilize clean energy and smart transportation. The administration’s focus on clean energy and lower net carbon emissions may indirectly drive the proliferation of AVs, since [so many AVs are themselves electric](#).

### Leveraging the US Landscape and Standardization

The US might also be uniquely positioned to leverage these investments for the benefit of AVs. [As one AV industry veteran has noted](#), “[t]he US landscape is better suited for AV testing and development than EU with its tighter infrastructure.” Because the testing of

AV technology benefits from wider motorways and more flexibility in road design, the US may be more nimble in creating the infrastructure necessary to harness the power of AV technology. Furthermore, in the wake of the COVID-19 pandemic, [some countries](#) have decided to focus on AV technology as a way to more safely transport people and materials.

The Biden administration has also not shown any sign of getting in the way of pre-existing efforts to standardize AV development. For example, the DOT has [already solicited public comment](#) on developing safety standards for AV, and there is no indication that the Biden administration will not continue supporting this work. While standards might create certain barriers to entry, particularly for smaller, under-funded firms, there are plenty of [historical examples](#) where standardization helped springboard a new technology into everyday use.

### **Regulatory Speedbumps**

Still, the US is not without certain obstacles. Just as standardization in design significantly aids in technological progress, uniformity in laws could streamline the industry's ability to make widespread use of AVs a reality. The US's patchwork of state laws, however, can create certain speedbumps. Take, for example, [existing legislation in Nevada](#) that requires AVs to switch license plates when crossing state lines. Pressure from the administration to harmonize AV regulations across the US would alleviate some of the regulatory cost of AV investment. [At least one AV firm](#) is optimistic that the Biden administration will apply such pressure, but that remains to be seen. Additionally, as [previously covered in this publication](#), the [SELF DRIVE ACT](#) was recently re-introduced and awaits further action in the Senate.

### **Conclusion**

While it remains to be seen whether the Biden administration will ultimately be successful in following through on its infrastructure initiative, the current landscape suggests that obstacles to AV-realization will continue to be removed. Still, the AV industry will need to remain vocal and vigilant with respect to standardization and harmonization of state laws in order to capitalize on the US's unique posture.