

## **Proposed Truck Safety Bill would Give Fleets Tech Tax Credits**

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Each year, large trucks are involved in about 380,000 motor traffic accidents, or 12 percent of all such accidents. Even more troubling, Federal Highway Administration data reveals, one-in-nine motor-vehicle traffic fatalities involves a large truck.

But truck-safety legislation introduced in the House and Senate would, if passed, help reduce such accidents through the installation of advanced safety technology into large and small fleets.

The *Commercial Motor Vehicle Advanced Safety Technology Act* would give fleet owners a general business tax credit of about 50 percent on spending for advanced safety systems, including brake-stroke monitoring, lane departure warning, collision warning and vehicle stability. Such a tax credit would provide fleet owners of all sizes a clear incentive to install collision-prevention systems to help reduce and mitigate traffic accidents.

The systems already have been or are being integrated into truck fleets, and they're making a difference in reducing crash costs.

C.R. England - Global Transportation, of Salt Lake City, Utah, has lowered its crash-related costs per miles traveled by approximately 37 percent since it installed an advanced safety system in its trucks in November 2008. But a tax credit would spur the installation of more such advanced technology.

### **Similar Bills in House, Senate**

The proposed legislation is similar in both houses of Congress. In the House, the commercial vehicle safety legislation (H.R. 1706) was introduced by Reps. Geoff Davis (R., Ky.) and Michael Thompson (D., Calif.) and, in the Senate, Debbie Anne Stabenow (D., Mich.) sponsored S. 1233.

Under the legislation, the tax credit would be limited annually so that vehicle owners can claim no more than \$1,500 per safety system and \$3,500 per vehicle. The credit would be available for five years.

In introducing the legislation, Rep. Thompson noted the hundreds of thousands of crashes each year that involve large vehicles. "Many of these accidents could have been prevented if advanced safety technologies had been in place," he contended.

An April 2010 study by the Insurance Institute for Highway Safety assessed a number of the technologies included in the proposed legislation and found they have “the potential to prevent or mitigate more than one of every four truck crashes, one of every three injury crashes and about one-of-five fatal crashes.”

### **Outlook in Congress is Cloudy**

The outlook for passage of the proposed legislation in this Congressional session of Congress, which continues through 2012, is cloudy at best, given the current mood among lawmakers to reduce federal spending and against business tax credits.

In addition, it's likely the legislation as written will be amended as lawmakers add or change its language, including the probability the tax credit percentage will be changed.

Yet highway safety has bipartisan support in Congress as well as support within the Obama administration. And, the tax credit would have a cascading effect, triggering many different benefits that consumers especially favor, including:

- Safer highways, a shared benefit by all.
- Fewer accidents caused by distracted truckers as the advanced safety systems serve to warn them of impending collisions.
- Substantial reduction in medical costs, days absent from work and disruption of commerce related to on-highway incidents.
- New job creation as makers of advanced safety systems hire more employees to meet increased orders from fleet owners.
- Fewer lawsuits, which means major savings on legal costs.
- The ability with on-board safety devices to gather data that could lead to better truck and road design, changed highway speed limits, reduced truck loads and improved actuarial tables – all elements that could impact safety and reduce operating costs.

### **Suggestions for Bill Changes Emerge**

While a hearing on the proposed legislation hasn't been scheduled in either the House or Senate, some suggested bill changes already are being advanced. Some proponents believe manufacturers of passenger buses, such as charters, should be eligible for the tax credit since this also would mitigate or reduce accidents and lead to fewer fatalities.

Under another recommendation, a date would be set for when the tax credit would be retroactive, perhaps in Q4, 2011. Without such a date, its backers contend, the legislation creates a wait-and-see environment among fleet owners and they would delay installing advanced safety features into their vehicles.

If a date is set and fleet owners begin ordering safety equipment, the chances of passage might improve as lawmakers recognize the benefits of such safety steps.

Still another suggestion would set a floor for any such tax credit so that fleet owners can gauge whether it's economical for them to finance such safety equipment. For instance, a floor could be set at not less than a 25 percent tax credit.

The safety-technology innovations are noteworthy.

One system specifically addresses the 80 percent of crashes that occur due to distracted driving three seconds before a crash. Its features reinforce safe-driving habits like situational awareness, turn-signal usage and proper following distance.

It also includes a camera located inside a truck's front windshield that detects and measures the distance to vehicles and lane markings, as well as on-board sensor data that provide proactive communications with drivers.

Other tech breakthroughs mitigate truck rollovers and loss of control, monitor tire pressure and temperature, and capture and report driving behavior, vehicle characteristics and severe events.

Industry proponents of the tax-credit legislation maintain that since advanced safety technology exists to reduce traffic accidents - and fatalities - involving trucks and other large vehicles, Congress should do all it can to ensure the technology gets into trucking fleets.

In this case politicians can improve driver and public safety immediately while politics would keep solutions out of the industry that needs them the most.

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