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Michigan Stands to Reap 16,000 Jobs and \$177 Million in Annual Income Tax Revenue from National Role in the Connected Vehicle Technology Industry

LANSING (MAY 12, 2009) — The state stands to gain approximately 16,000 full-time jobs and \$177 million in annual income tax revenue by establishing Michigan as the home of the vehicle communications technology industry, according to a report commissioned by the Michigan Department of Transportation (MDOT) and prepared by the Center for Automotive Research (CAR). Funded by MDOT, CAR studied the economic and industrial impacts and benefit-cost analysis of establishing Michigan's leadership position in the emerging vehicle communications technology industry. Building on previous research, CAR examined the economic feasibility and payback associated with the estimated annual costs of roughly \$370 million to the state to deploy, operate and maintain such a system.

CAR's research investigated how the Michigan economy would benefit if the state became the leader in developing and deploying vehicle-to-vehicle and vehicle-to-infrastructure communication technologies to improve the safety and operational performance of roads and highways, increase mobility, and enhance personal convenience.

"As the home of the American automotive industry, Michigan is uniquely positioned to lead the development and deployment of connected vehicle technology," said State Transportation Director Kirk T. Steudle. "We have an outstanding opportunity to shape the future of transportation by improving safety and mobility on our roads and highways."

Connected vehicle technologies allow vehicles to "talk" to one another and the roadway, and can be used to alleviate road congestion, improve safety, improve the flow of goods and people, and provide greater convenience to drivers.

Since the 1970s, there has been an increase in the number of households, vehicles per household, and number of miles driven per vehicle. Overall, in that time vehicle miles traveled have more than doubled, while road capacity has increased by only 50 percent. At the same time, there is a wider mix of vehicle sizes sharing the same roadway and high volatility in fuel prices, as well as a growing number of vehicle fuel and power-train technologies, pointing toward a more challenging vehicle-road environment than was present when the Baby Boomers took their first driving exams.

The use of connected vehicle technologies to mitigate these challenges is an option that MDOT, the U.S. Department of Transportation (USDOT), and the automotive industry are actively

pursuing. These organizations recently completed a Proof of Concept (POC) project that enabled both industry and the public sector to learn a great deal about the feasibility and capabilities of connected vehicle technologies.

With the POC complete and aftermarket products and technologies poised to drive the swift proliferation of connected vehicle technologies, the U.S. is faced with a singular opportunity to upgrade its road and highway system (a system based on technology from the 1950s), Steudle said.

“Here in Michigan, we can develop a modern surface transportation system—one that uses communication technology to save lives, improve mobility, and add convenience to the traveling experience,” said Steudle.

“While connected vehicle technology has great promise, its deployment will not be simple or easy. This is a new and unfamiliar industry, and developing a robust, statewide system will require large capital investment,” said Kim Hill, who directs the Sustainable Transportation and Communities research group at CAR. “Our research, however, shows that the payback for establishing a home for this technology in Michigan is rapid, due primarily to immediate safety improvements and crash reductions.”

“This is an opportunity to build an industry that uses Michigan expertise in all things automotive and R&D—an industry in which our state can lead the nation,” added Richard Wallace of CAR.

The complete report is available on CAR's Web site, www.cargroup.org

About the Michigan Department of Transportation (MDOT)

The Michigan Department of Transportation (MDOT) is responsible for a network of more than 9,000 miles of state trunkline. This network, comprised of all I-, US-, and M-numbered routes in Michigan, carries 51 percent of all traffic and 70 percent of all commercial traffic in the state. MDOT is also responsible for administering a comprehensive multimodal program that includes airports, intercity passenger services, rail freight, local public transit services, non-motorized transportation and the state's Transportation Economic Development Fund. A safe, well-maintained, and efficient transportation system provides the backbone for all economic activity within the state. www.michigan.gov/mdot.

About the Center for Automotive Research

The Center for Automotive Research, a nonprofit organization, is focused on a wide variety of important trends and changes related to the automobile industry and society at the international, federal, state and local levels. CAR conducts industry research, develops new methods, forecasts industry trends, advises on public policy, and sponsors multi-stakeholder communication forums. CAR is involved in the research of significant issues that relate to the future direction of the global automotive industry, as well as transportation systems as a whole. www.cargroup.org.