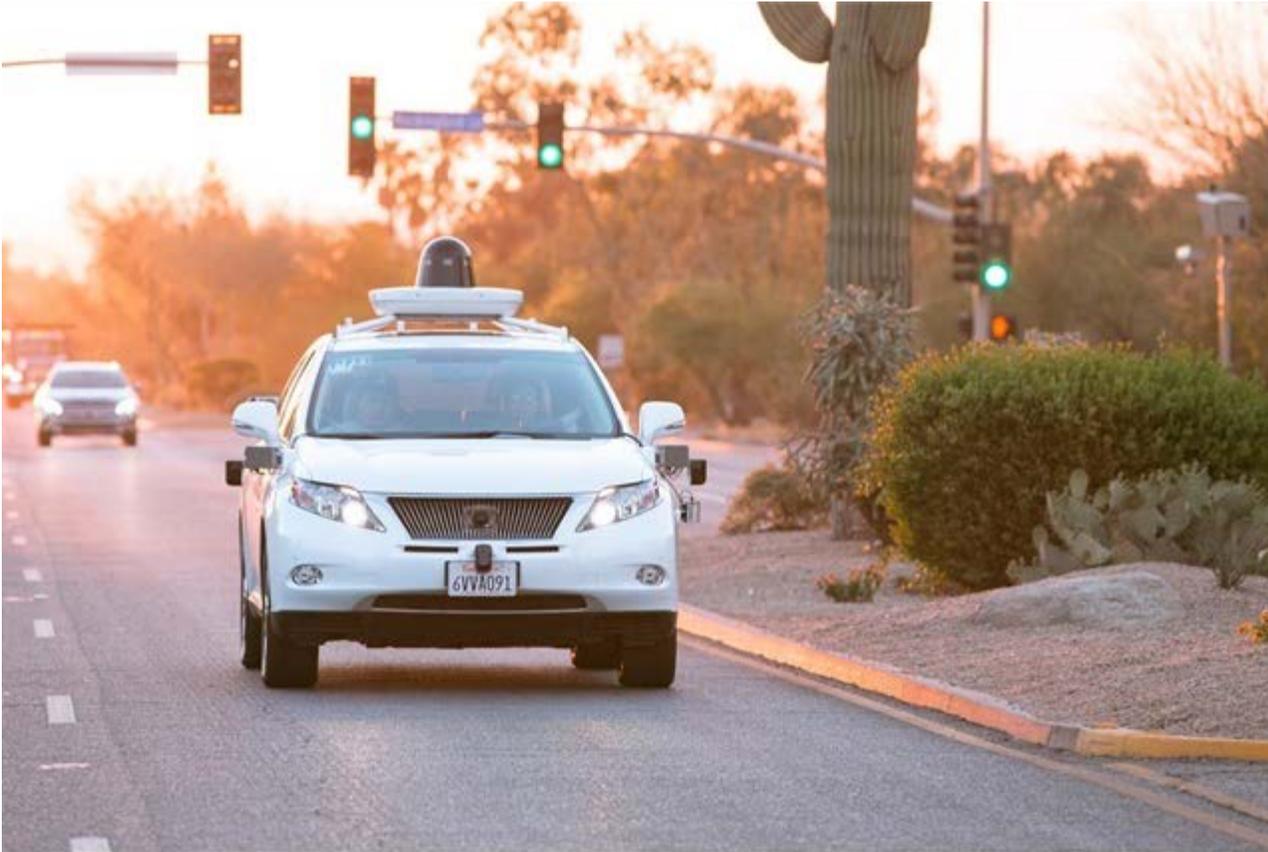


# Will Commercial Fleets Embrace Autonomous Vehicles?

March 2017, By Andy Lundin



*Photo courtesy of Waymo.*

Commercial fleets may be slower to embrace autonomous vehicles. Nissan, Mercedes-Benz, and Google hope to have fully-autonomous cars on the road by 2020, but since the development of the technology is in the early stages, fleet management companies and one fleet manager told Fleet Financials that they are hesitant about becoming early adopters, while at the same time saying they're interested in the safety benefits of the technology.

“While early level autonomous features, like automatic braking, can clearly increase passenger safety, level 3 autonomous features, where the vehicle primarily drives itself but could need assistance from the human driver on occasion, seems risky as the driver could be too distracted to provide the instant attention needed to avoid a crash,” said Dennis Straight, senior vice president and CTO, Donlen. “This is my primary concern in the near-term.”

Another area that may be of concern is insurance and liability. Since, when considering level 3 autonomous capabilities, who, or what, will be considered “at fault” in the event of an accident?

“Insurance and safety regulations are a huge question mark at this time. How will autonomous vehicles be insured and how will this affect rates? What type of training and/or tests will drivers need to complete before driving an autonomous vehicle? Determining the at-fault party for accidents involving a driver and self-driving vehicle could also present an interesting challenge,” said Mark P. Donahue, manager, Fleet Analytics & Corporate Communications, Emkay.

The implementation of the technology may ultimately come down to how successfully the technology performs, and when the general public becomes accepting to it.

“Public perception of the first fleets to implement autonomous vehicles is going to have a major impact on the speed of adoption. Statistics show that while younger people are more open to use of autonomous vehicles, a majority still has concerns. If there are high profile negative incidents for early adopters it could drastically slow adoption of the technology,” said Bill Croke, manager of TotalView Analytics, Merchants Fleet Management.

## **Fleets That Will Benefit**

A fleet manager who requested anonymity said that his fleet had no intention of becoming early adopters of autonomous technology. However, he did express an appreciation for the safety and productivity benefits that the technology is designed to provide.

“Eventually, fleets will be able to capitalize on the increase in safety through the significant reduction (or elimination) of accidents. In addition, with removing the task of physically driving the vehicle, we’d be able to realize productivity gains since the employee can now complete more work activities,” he said.

This manager predicted that companies that focus on product delivery (i.e. UPS, Amazon) or human transportation (i.e. ride-sharing services, taxi) will likely be early adopters of the technology.

Indeed, Ford announced last August its intention to deliver a high volume, fully autonomous vehicle for ride sharing by 2021, according to [Forbes](#).

“Once the technology is proven in these segments, commercial fleets will start to adopt along with commuters. I can see companies incentivizing or subsidizing employees so they can work while commuting,” said the anonymous fleet manager.

Croke of Merchants agreed with the belief that delivery fleets will be early adopters of the technology.

“Delivery fleets certainly are at the forefront of those with the potential to benefit from autonomous vehicles. Optimizing vehicle routing and operation, particularly with the potential to extend beyond the federal hours of service requirements that govern CDL drivers could be the next major evolution of the delivery industry,” said Croke.

Tom Sloan, director of telematics and safety solutions, Donlen, said that fleets that deliver or distribute parts from set locations will also benefit, since they typically follow a set route. He also mentioned executive fleets may be early adopters. He also said that autonomous vehicles may completely change the face of fleet altogether.

“New automakers will enter the market, and existing automakers that do not keep pace will be left behind. Autonomous vehicles have a significant impact on all traditional areas of fleet management – such as fuel, maintenance, and accidents. It may take some time, but fleet management may look very different once autonomous vehicles are commonplace in fleet. With an autonomous fleet, someone will have to be the custodian of that fleet. Self-managed fleets might decrease and the need for fleet experts will continue to add value,” he said.

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