

General Motors to roll out fleet of self-driving taxis by 2019, ahead of Ford, Uber, and Waymo

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Alison DeNisco Rayome

On Thursday, General Motors (GM) executives said the company plans to deploy a large-scale fleet of driverless taxis in large cities by 2019—making it among the first autonomous car developers to provide a timeline to their efforts, [The Wall Street Journal](#) reported.

While Ford, Waymo, Uber, and other auto and tech companies have been testing autonomous cars, taxis, and trucks, most have avoided naming a date for official commercial launches.

GM executives expect that the planned autonomous taxi additions will net large profits: While GM earned a profit margin of 7.5% on its \$166 billion in annual revenue in 2016, by 2025, a driverless car service could offer 20-30% profit margins and a "total addressable market of several hundreds of billions of dollars," CFO Chuck Stevens said at an investor conference, according to the Wall Street Journal.

A number of driverless car developers are testing fully-driverless vehicles on the road: Alphabet Inc.'s Waymo began testing vans without human drivers in October in Phoenix, and Uber announced plans for a robotaxi fleet of 24,000 SUVs in the coming years. However, no other company has announced a timetable, let alone one as aggressive as that of GM.

In the driverless taxis, GM could offer rides for less than \$1 per mile by 2025, down from about \$2.50 per mile for driver-based, ride-hailing services today, The Wall Street Journal noted. And that could create profit margins that are quadruple those of GM's core car-manufacturing business, which itself generated \$12.5 billion in operating profit last year.

While the service won't be in every location or available at all times, under certain circumstances, it is indeed a plausible timeline, according to Bryant Walker Smith, assistant professor of law at the University of South Carolina and expert in the autonomous vehicles space.

"GM won't even be the only one," Walker Smith said. "And that'll be enough to for a nascent mobility revolution. Think about Uber and Lyft: Even today, they're not everywhere, and yet they've upended industries and shifted cultural conversations."

However, some experts have doubts about this aggressive timeline.

"It's certainly feasible that GM could have vehicles on the road in this timeframe, but it will require a lot of things to fall into place," said Gartner analyst Michael Ramsey. For example, GM needs to establish fleet management services in the markets where it will operate,

including technicians to maintain the vehicles and a system to recharge them. It will also have to build a ride-hailing app, and a human-machine interface that allows customers to interact with the car, and ask it to do things like change destinations.

Importantly, GM will also have to demonstrate the safety of these vehicles, Ramsey said.

As for the competition, "I don't think anyone will dominate in this space for a long time," Ramsey said. "GM should be commended for its aggressiveness, but there's a risk too. If they get there first, but it doesn't work well - or is too slow and irritating - it will be dismissed as a technological sideshow."

Despite some safety concerns with [humans and robots sharing the road](#), in September, the US House of Representatives [approved legislation](#) to speed the deployment of fully-autonomous cars and stop states from banning self-driving vehicles. The law allows car manufacturers to obtain exemptions to deploy up to 25,000 vehicles without meeting existing auto safety standards in the first year. This cap would rise to 100,000 vehicles annually over three years.

The US Department of Transportation unveiled the [world's first autonomous vehicle policy](#) in September 2016, setting performance standards for self-driving cars and offering guidelines for how states can legislate autonomous vehicles. However, many questions around issues such as insurance, safety, and cybersecurity still remain.

The 3 big takeaways for TechRepublic readers

1. On Thursday, General Motors executives said the company plans to deploy a large-scale fleet of driverless taxis in large cities by 2019.
2. Ford, Waymo, Uber, and other auto and tech companies have been testing autonomous cars, taxis, and trucks, most have avoided naming a date for official commercial launches.
3. Despite some safety and regulatory concerns, the US House of Representatives passed legislation to speed the deployment of fully-autonomous cars in September.



Image: General Motors/Cruise



About Alison DeNisco Rayome

Alison DeNisco Rayome is a Staff Writer for TechRepublic. She covers CXO, cybersecurity, and the convergence of tech and the workplace.