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The Honorable John Thune, Chairman
U.S. Senate Committee on Commerce, Science, and Transportation
512 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bill Nelson, Ranking Member
U.S. Senate Committee on Commerce, Science, and Transportation
512 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson,

Thank you for this opportunity to share Honda North America, Inc.'s (Honda) views on the "Driving Automotive Innovation and Federal Policies" hearing. Honda has been investing and manufacturing in the U.S. for more than 40 years. This includes 12 manufacturing plants which have enjoyed \$3.4 billion in investments in the past four years alone and produce passenger vehicles, power equipment, and power sports products. Honda has also purchased \$27 billion in parts and materials from 610 U.S. suppliers. Our 14 R&D facilities have researched, designed, and developed 29 Honda and Acura car and light truck models since 1991. The U.S. also hosts the global headquarters for HondaJet. Honda directly employs 30,000 Americans and in more than 50 years in the U.S. has never laid off a permanent associate.

As our automotive products evolve, so too must our business models. One example of that evolution is the creation of one of Honda's North American research and development business units, Honda R&D Innovations, Inc. based in Silicon Valley. This open innovation-focused business unit has established two programs that serve as catalysts to discover and experiment with new technologies and business concepts for Honda products: Honda Xcelerator and Honda Developer Studio.

Honda Xcelerator is Honda's open innovation program designed to facilitate collaboration between technology startups across all funding stages who share Honda's vision to transform the mobility experience. The program easily engages innovators in an open and friendly environment, offering funding for rapid prototyping, a collaborative workspace, and pairing with Honda mentors. Innovators also have access to Honda vehicles and vehicle data to develop, test, and refine their prototype. Honda Xcelerator currently works with technology incubators around the world, including partnerships with MassChallenge (Boston, Mass.), Creative Destruction Lab (Toronto, Canada), Drive (Tel Aviv, Israel) and equity crowd funding platform OurCrowd (Jerusalem, Israel). This list is expected to continue to grow.

In 2017, Honda Xcelerator showcased its startup collaborations with partners LEIA 3D and VocalZoom. In partnership with LEIA 3D, Honda developed a driver's display meter using nano technology that can provide three-dimensional images, switching seamlessly between different viewing angles for warnings and driver-assistive systems. Honda also partnered with VocalZoom to apply VocalZoom's optical microphone technology to improve voice interaction inside the vehicle.

Honda Developer Studio connects innovators with Honda engineers to quickly get their applications ready for the road. Like Honda Xcelerator, Honda Developer Studio also provides access to vehicles so that innovators can experience real-time results and vehicle feedback as the applications are being built. For example, Honda is collaborating with Visa on an in-vehicle payment technology that enables users to make payments, such as at a gas station or parking facility, from inside their cars. We envision a world where consumers can effortlessly make everyday purchases from the car. This connected car project is an early step in Honda's work regarding electronic commerce in the age of the Internet of Things. We've developed a proof-of-concept experience and will have more information on future commercial plans as we receive the test results.

Additionally, Honda and DreamWorks Animation have partnered on a platform that leverages a ConnectedTravel software development kit, vehicle data, and virtual reality (VR) technology. The platform can be used to rapidly create in-vehicle entertainment experience for passengers through a location context-aware application. The technology uses VR goggles to display information such as restaurant guides or to advance a game in sync with the movement of the car.

Honda Innovations is proactively searching for the next great technology to benefit our products and, ultimately, our customers. Our open innovation platform provides the best method to modify these technologies for Honda products and be able to bring them to the market relatively quickly. Honda stands ready to work with anyone who has an idea to make our products work better for our customers.