



April 3rd, 2019

Co-Chair Representative Adam Wool

Co-Chair Representative Gabrielle LeDoux

House Labor & Commerce Committee

RE: HB 102 - Vehicle Rental Modernization - SUPPORT

Dear Representatives Wool and LeDoux:

On behalf of Enterprise Holdings, please accept this letter in support of House Bill 102.

We operate the Enterprise, National, and Alamo car rental brands—the largest family of rental car companies in the country.

Enterprise has been operating in Alaska since 1989. We're committed to this state—having operated here for more than three decades. We currently employ more than 100 Alaskans that help us operate a fleet of more than 1,900 cars from a network of 20 locations throughout the state. We invest in Alaska; we recruit recent college graduates here; we hire a broad base of employees here; and we pay taxes here that reflect our fair-share contribution into the economy.

The emergence of the peer to peer car rental model is a good thing that should be embraced with appropriate rules to allow it to grow. Providing the right structure through legislation will give greater choice to rental customers; more competition within the industry; and allow car owners the chance to make extra money - all while treating companies competing for rental customers fairly and equally.

The emergence of the peer to peer car rental model may well be a positive thing. But contrary to the suggestions of some - peer to peer car rental is not an entirely new business altogether.

To put it simply, peer to peer car rental companies have come up with a creative way to introduce new supply to serve an existing demand. In this case, the demand is the need for a rented car - the same as it has been in Alaska for decades. In that sense, companies competing in the rental car marketplace are all competing for the same customer with the same needs - to rent a car to get from point A to B. The source of the car to meet the demand is not material to the marketplace rules for that transaction. The fact is, a car is being rented and that has a tax consequence between the company renting the car and the customer renting the car. And that tax consequence is and should be important to the state of Alaska. This bill clarifies that the tax should be evenly applied to all rental transactions.

To be clear, House Bill 102 intends to only clarify the rights and obligations of peer to peer car rental companies and their rental customers. Car owners that make their vehicles available to peer to peer car rental companies to rent on their platforms are not impacted by this legislation. They would not be taxed and they would not be prevented from making extra money.

While there is a difference in the supply of rental cars between traditional rental car companies like Enterprise and peer-to-peer car rental companies, the services that both business models deliver are virtually identical. You can rent a Toyota Corolla from Enterprise, or you can rent a Corolla on a peer-to-peer platform. But either way, it's a Corolla. The marketplace rules should therefore reflect the fact that the service is the same, and the rules of the road should be the same as well. House Bill 102 stands for this important concept.