



March 28, 2019

The Honorable Adam Wool
House Labor & Commerce Committee
State Capitol Room 412
Juneau AK 99801

RE: Internet Association OPPOSE to HB 102

Dear Co-Chair Wool:

Internet Association respectfully must express our opposition to HB 102 the Vehicle Modernization Act.

Internet Association (IA) represents over 40 of the world's leading internet companies and advances public policy solutions that foster innovation, promote economic growth, and empower people through the free and open internet.

IA appreciates your sponsorship of HB 132 clarifying the ability of transportation network companies (TNCs) being able to operate in Alaska during the 2017 legislative session. IA believes such clarity will assist Alaskans both as passengers, drivers and improve efficiency in your transportation system. IA also believes Alaska would benefit from such clear guidance for peer-to-peer vehicles shares to operate in the state.

As opposed to HB 132, IA believes HB 102 would simply make peer-to-peer vehicle shares in Alaska impossible to operate. HB 102 would establish peer-to-peer vehicle shares the same as car rental companies, they simply are not.

The proposal before you attempts to treat peer-to-peer vehicle sharing platforms the same as rental car companies, when these entities rely on very different business models. Most prominently, rental car companies own and maintain their own fleet of vehicles, while platforms for peer-to-peer vehicle sharing do not own or maintain vehicle fleets.

Other differences are relevant as well. For example, this proposal appears to require peer-to-peer vehicle shares to charge a licensing cost recovery fee. Since hosts own their vehicle, the hosts cover the costs associated with licensing their vehicle. As a business practice, peer-to-peer vehicle shares do not incorporate the costs of licensing in the cost to share a vehicle. This places an undue burden on peer-to-peer networks to impose fees and costs, which otherwise would not be charged. This proposal would simply add fees and not improve safety for either the host or the customer.

Peer-to-peer vehicle sharing platforms have established requirements to ensure the cars being shared meet safety standards and that adequate insurance is provided once the customer gains control of the vehicle. The platform does not determine what vehicles are available, rather, it is based on owners' willingness to offer their vehicles. The vehicles offered will meet all relevant safety standards, so no Alaskans are at risk because of vehicle safety.

Peer-to-peer vehicle shares offer car owners the chance to earn a little extra money at their convenience rather than having what is often their most expensive asset -- their car -- sit unused. That extra income could allow them the opportunity to pay off a car loan quicker, take a vacation they may not otherwise be able to, or simply save for a rainy day.



If the State of Alaska is seeking to have a regulatory structure over peer-to-peer vehicle shares or is seeking to earn revenue, IA and its member companies are willing to discuss options with you and your colleagues. IA appreciates Alaska needs to ensure the safety of cars on your roads and the need to ensure revenues meet the needs of the State. Treating peer-to-peer vehicle shares as rental car companies does not address those needs.

For these reasons, IA respectfully must oppose HB 102. Should you have any questions please contact me at rose@internetassociation.org or 206-326-0712.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rose Feliciano', with a long horizontal line extending to the right.

Rose Feliciano
Director, Northwest Region State Government Affairs



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

April 3 2019

The Honorable Gabrielle LeDoux
Co-Chair, House Labor & Commerce Committee

The Honorable Adam Wool
Co-Chair, House Labor & Commerce Committee

Re: HB 102- Peer-to-Peer Car Sharing

Dear Chairs LeDoux and Wool:

TechNet is the national, bipartisan network of over 84 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50 state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents more than three million employees in the fields of information technology, e-commerce, clean energy, telecommunications, gig economy, sharing economy, venture capital, and finance. TechNet is committed to advancing the public policies and private sector initiatives that make the U.S. the most innovative country in the world.

TechNet respectfully opposes HB 102, which attempts to treat peer-to-peer car sharing the same as rental car companies. Oregon already regulates peer-to-peer car sharing in statute. This bill is an unnecessary attempt to restrict the growth of a growing technology.

Peer-to-peer car sharing has become an incredibly convenient way of connecting people wishing to utilize an Internet platform to safely and securely share their car when their personal vehicle is not being used. Peer-to-peer car sharing is not the same as a rental car operation and trying to legislate them into the same box is like trying to fit a square peg into a round hole.

This is the type of disruptive innovation that Alaska should be fostering and encouraging. By forcing a new technology to conform to an out dated tax structure created for a specific industry, HB 102 will only discourage the use of that technology, when instead state legislators should be looking at ways to embrace innovation. Alaska should encourage a collaborative conversation on how to regulate new technologies. Failing to do so will only discourage other technology companies from investing and locating in Alaska.

With the advent of autonomous vehicles, artificial intelligence, virtual reality, and drones, the status quo will continue to be disrupted, and Alaska should avoid the temptation to see these innovations as threats. Instead Alaska should welcome the change they will bring to the state, and with it the freedom for residents to benefit and profit from them, thus creating a ripple effect on the entire state economy.

It is also important to understand that peer-to-peer car sharing, and the sharing economy in general, is unique. It is imperative to look at the sharing economy separately and distinctly from preexisting industry. The sharing economy is not trying to skirt paying revenue to the states in which they operate or avoid consumer protections. Instead, they are asking as a new technology to be considered as such and to think outside the box when it comes to finding legislative solutions.

Thank you in advance for your consideration on these matters and please do not hesitate to reach out with any questions.

Sincerely,

Christina Fisher
Executive Director
TechNet
cfisher@technet.org
508-397-4358



April 3, 2019

Rep. Adam Wool, Co-Chair
Rep. Gabrielle LeDoux, Co-Chair
House Committee on Labor and Commerce
Alaska State Legislature
120 4th Street
Juneau, AK 99801

Re: HB 102 (Wool) – “An Act relating to rental vehicles; relating to vehicle rental networks; relating to liability for vehicle rental taxes; and providing for an effective date.” – OPPOSE

Dear Representatives Wool and LeDoux:

I write on behalf of Getaround – a leading peer-to-peer carsharing marketplace platform – in opposition to House Bill 102. HB 102 broadly attempts to subject car owners who participate in carsharing programs to regulation and taxation as rental car companies. As a result, the bill’s language would force the innovative new peer-to-peer carsharing model into the mold of an aging rental car industry that is struggling to deliver the mobility options that today’s cities need; and would ultimately harm consumers by eliminating their access to mobility that fits their lifestyles. This approach is not only unfair to consumers, it stifles innovation critical to the modernization of our cities.

Getaround is a peer-to-peer carsharing marketplace platform that empowers members to safely share their personal vehicles with others by the hour and the day. Getaround operates in more than one hundred cities, and while not currently in Alaska, we certainly would like to be in the future. Our technology helps users find, book, and unlock nearby vehicles on-demand using their smartphones. Our platform connects people whose cars are sitting idle and unused with people who need to use a car – giving people access to a pool of shared vehicles. It’s the modern equivalent of borrowing a friend or family members’ car.

Carsharing – and Getaround’s carsharing platform – makes car ownership more affordable. Owning a car is expensive. Car payments, maintenance, insurance and parking all add up. For people who need to own a car, carsharing offsets ownership costs by allowing them to share the car when it would otherwise be sitting idle in a parking spot. An extra \$300 to \$600 a month would mean a lot to lower and middle-income residents of Alaska.

And it’s not just car owners who benefit: carsharing provides convenient and affordable on-demand access to vehicles for the growing number of Americans who do not own cars, or for whom car ownership is cost prohibitive. Low and middle-income residents of Alaska would



benefit tremendously from convenient access to affordable transportation – transportation that helps get them to work, to run errands, or carry their kids to school. That’s what carsharing provides, especially the carsharing our platform makes possible.

As one of the nation’s leading peer-to-peer carsharing platforms, Getaround supports consumer-friendly protections and laws that provide liability and insurance certainty. Where the law is unclear, we want and crave certainty so that we can orient our business accordingly and make sure that everyone – from our owners, to our users, to third-parties who encounter cars on the road – are protected.

It’s incredibly important for the state to get this right: as the growth of peer-to-peer carsharing nationwide shows, consumers want to add carsharing to their transportation options. But it is still a young and emerging market and a rushed series of regulations may do far more harm than good. Fundamentally, and despite calls for immediate action from companies that view themselves as competitors of peer-to-peer carsharing, there is no reason to rush this. Of the three major peer-to-peer carsharing platforms, two of them do even operate in Alaska yet.

While we support the Legislature taking a close look at the carsharing industry, quickly deeming carsharing as equivalent to rental car companies is not the right solution. We recognize the importance of appropriately taxing this new market. But we also believe carsharing requires a detailed and nuanced study as to the appropriate tax structure, considering all current tax burdens on carsharing and vehicle owners, and how sound tax policy for carsharing can benefit all residents of Alaska.

Indeed, rental car companies earn the majority of their revenue from airport transactions; the vast majority of Getaround transactions, by contrast, are local people making local trips. And unlike rental car companies, our vehicle owners cannot claim tax deductions against federal income tax for costs like insurance, maintenance, or repairs. Tax obligations are not as simple as looking just at the transaction – it requires a holistic analysis of all of the tax liabilities that the vehicle owner and rental car companies incur.

For these reasons, we oppose HB 102 and encourage the Legislature to take a nuanced, comprehensive look at appropriate regulation and taxation for this new and emerging industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Pogrud'.

Brian Pogrud
Director of Markets, North America
Getaround



April 1, 2019

Co-Chair Representative Adam Wool
Co-Chair Representative Gabrielle LeDoux
House Labor & Commerce Committee

Re: OPPOSE HB 102 – Vehicle Rental Modernization Act

Dear Representatives Wool and LeDoux:

The sole peer to peer car sharing platform currently operating in Alaska, Turo, opposes HB 102, the Vehicle Rental Modernization Act. While Turo is not opposed to proper regulation of this emerging industry, we believe HB 102 merely pushes peer-to-peer car sharing into the rental car regulatory and tax framework without any consultation or input from the industry itself.

Moreover, the bill is reminiscent of bills in nearly 30 other states introduced and supported by Enterprise-Rent-A-Car in an effort to extinguish peer-to-peer car sharing nationwide. Evidence of this can be found in Maryland in 2018, and Colorado and Arizona in 2019 where the peer-to-peer car sharing industry proposed proper regulatory and tax framework legislation which Enterprise opposed relentlessly every step of the way. You see, with over 57% of the current rental car market, Enterprise sees peer-to-peer car sharing as a future threat to their monumental dominance of the mobility space.

Turo provides car owners with a way to recoup the high cost of car ownership by sharing their cars a few days a month. The news is full of reports about a record high of 7 million Americans are at least three months behind on their car payments – peer-to-peer car sharing can help families struggling financially to be able to keep their cars. Families of all kinds find peer-to-peer car sharing beneficial to their financial and environmental goals. In fact, nationwide, about 1 in 5 of Turo's customers are veterans or active duty military who share their cars while deployed away from home. Turo helps increase the utility of underutilized assets – often the most valuable asset a family has.

Alaskans can now purchase a car for their everyday life and turn to peer-to-peer car sharing to book cars for a specific need – a minivan to transport the soccer team, SUV for a campout or sleek sports car for a special occasion.



Turo was pleased to hear of the creation of a new "Innovation Caucus" in the Alaska legislature, whose stated goal was to promote new creative business opportunities in Alaska and to break down the tax and regulatory obstacles so that these new startups might succeed. We understand two members of this exciting new caucus may sit on the Labor and Commerce Committee as well. It is inconceivable that legislation like this could be viewed as in any way compatible with the stated goals of the Innovation Caucus and we urge those members who support innovation in business to reject this legislation out of hand.

Again, please reject HB 102 and convene a working group to discuss the best approach to regulating and taxing this new industry, a meeting that includes current members of the peer-to-peer car sharing industry. But we must register our vigorous opposition to any seat at the table for the rental car industry – their interests are not to properly regulate but to eliminate. Including Enterprise in akin to asking Blockbuster Video for input on regulating Netflix. Not a single rental car industry has a peer-to-peer business – their opinions on regulating a totally different industry should not matter.

Best regards,

A handwritten signature in black ink, appearing to read "Michelle Peacock", with a long horizontal line extending to the right.

Michelle Peacock
Head of Government Relations