



April 3, 2019

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

RE: OPPOSITION to HB 102 related to peer-to-peer car sharing

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 during the 2017 legislative session, which provided regulatory clarity for transportation network companies (TNCs) so that these platforms can continue to operate in Alaska to the benefit of passengers, drivers, and the state's transportation system. Similarly, IA believes clear and fair rules for peer-to-peer car sharing platforms would also benefit the State.

However, HB 102 as drafted would not achieve this goal. The proposal before you attempt 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 a regulatory structure to govern peer-to-peer car sharing, 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. However, treating peer-to-peer car sharing platforms 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', followed by a long horizontal line.

Rose Feliciano
Director, Northwest Region State Government Affairs

Cc: Members, House Labor & Commerce Committee