

## Karen Emberton

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**From:** Tatapudy, Suman <statapudy@orrick.com>  
**Sent:** Thursday, May 2, 2019 8:16 AM  
**To:** Rep. Neal Foster; Rep. Tammie Wilson; Rep. Jennifer Johnston; Rep. Daniel Ortiz; Rep. Andy Josephson; Rep. Gary Knopp; Rep. Bart LeBon; Rep. Cathy Tilton; Rep. Kelly Merrick; Rep. Colleen Sullivan-Leonard; Rep. Ben Carpenter  
**Cc:** Rep. Adam Wool  
**Subject:** HB 102 - Getaround - Written Testimony in Opposition  
**Attachments:** Getaround - Written Testimony in Opposition - Alaska HB 102 (5.3.19).pdf


Co-Chair Foster, Co-Chair Wilson, Vice Chair, Johnston, and Members of the House Committee on Finance:

On behalf of Getaround, a peer-to-peer carsharing marketplace platform, please accept the attached written testimony in opposition to House Bill 102. Thank you for your consideration.

Sincerely,

Suman Tatapudy

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**Written Testimony**  
**Before the Alaska State House of Representatives**  
**House Committee on Finance**  
**May 3, 2019**  
**By**  
**Suman Tatapudy**  
**Orrick, Herrington and Sutcliffe LLP on behalf of Getaround**

Good afternoon Co-Chair Foster, Co-Chair Wilson, Vice Chair Johnston, and Members of the House Committee on Finance. Thank you for the opportunity to submit testimony. My name is Suman Tatapudy with the law firm of Orrick, Herrington & Sutcliffe LLP and I am submitting testimony on behalf of Getaround to oppose House Bill 102.

Getaround is a leading 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 in Alaska.

And it's not just car owners that 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.

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 not 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.

Unfortunately, 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.

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.