



April 6, 2021

The Honorable Zack Fields, Co-Chair
The Honorable Ivy Sponholz, Co-Chair
House Labor & Commerce Committee
State Capitol Room 412
Juneau AK 99801

RE: Internet Association OPPOSES HB 90

Dear Co-Chairs Fields, Sponholz and Members of the Committee:

Internet Association respectfully must express our opposition to HB 90 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 the Alaska legislature passing a law in 2017 to clarify the ability of transportation network companies (TNCs) being able to operate in the State. IA believes that law assists Alaskans both as passengers, drivers and improved 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 90, IA believes this bill would simply make peer-to-peer vehicle shares in Alaska impossible to operate. HB 90 would establish peer-to-peer vehicle shares the same as car rental companies, they simply are not.

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.



If Alaska is interested in standardizing insurance and safety measures for peer-to-peer car share, IA would recommend you consider model legislation from the National Coalition of Insurance Legislators (NCOIL). This framework was adopted with input from many stakeholders, including insurance commissioners, rental car companies and peer-to-peer car sharing companies.

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 over peer-to-peer vehicle shares IA would recommend the NCOIL insurance and safety standards. If there are other issues you are interested in discussing 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 90. 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