

April 8, 2021

The Honorable Zach Fields
Co-Chair, House Labor & Commerce Committee
The Honorable Ivy Spohnholz
Co-Chair, House Labor & Commerce Committee
Alaska State Legislature
120 4th Street
Juneau, AK 99801

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

Dear Chair Fields, Chair Spohnholz, and Members of the House Labor & Commerce Committee:

TechNet is the national, bipartisan network of 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 and a half million employees in the fields of information technology, ecommerce, clean energy, gig and 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.

I write on behalf of our membership to respectfully oppose HB 90, which attempts to treat peer-to-peer car sharing the same as rental car companies. 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 distinctly different from a rental car operation, and trying to legislate them under the same regulations would create unintended consequences for these businesses and for the state. Not only would this legislation detrimentally impact small businesses, but it would discourage innovation and economic growth in Alaska.

While we are not opposed to the regulation of taxation, the coronavirus pandemic has already impacted many small businesses that are struggling to survive. Taxing small businesses that provide a leased or rental vehicle or execute rentals through a vehicle rental network would create even greater financial strain.

It should also be recognized 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 industries. 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.

Moreover, unlike other states who have regulated in this arena, Alaska has not convened any stakeholder groups for input on these bills. Thus, legislators have little information about this complex area. By forcing a new technology to conform to an outdated statutory structure created for a specific industry, HB 90 will only discourage the use of that technology. Instead, state legislators should be looking at ways to embrace innovation that would benefit residents and create a ripple effect on the entire state economy. Alaska should encourage a collaborative conversation and greater engagement with relevant parties on how to regulate new technologies in the future. Failing to do so will only discourage other technology companies from investing and locating in Alaska.

Thank you for your engagement on this issue. We strongly encourage you not to pass HB 90.

Best Regards,

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