

Wisconsin SB 386

SUPPORT TESTIMONY

Wisconsin State Legislature
Senate Insurance and Small Business Committee

September 18, 2023

NetChoice respectfully asks that you **support** SB 386 as it:

- Clearly defines peer-to-peer car sharing,
- Sets reasonable insurance coverage, and
- Ensures there is no gap in insurance coverage.

Today citizens across the state share their cars with neighbors, friends, and earn some extra income. At the same time, Big Rental is not meeting demands from consumers.

SB 386 makes clear that citizens sharing their vehicles is different from Big Rental's business model. This bill makes clear that lawmakers will not pick winners (rental-car companies) and losers (residents who use peer-to-peer car sharing platforms) but will instead foster innovation and competition.

And SB 386 makes it easier for average residents to supplement their incomes and for consumers to find affordable transportation options. In other words, SB 386 helps the very people it seeks to protect, which is especially important in a time of economic uncertainty and suffering.

We therefore respectfully ask that you **advance** SB 386.

SB 386 Promotes Competition

Rather than innovate, Big Rental is running the same playbook that has worked well in the past: get the locals to pass laws that benefit its bottom line at the expense of others. Digital newcomers threaten established firms that have spent decades—and untold money—forcing out competition and creating barriers to entry for newcomers. When it succeeds, this behavior results in higher prices for consumers and fewer jobs for your constituents.

Big Rental’s fear of car-sharing platforms is not surprising. Indeed, a 2020 survey of rental-car operators revealed that “Competition from peer-to-peer networks (Turo, GetAround)” ranked as one of the top self-reported “threats” in 2020.¹ It’s not hard to see why.

Peer-to-peer car sharing offers better service and deals than Big Rental does. First, they give consumers better choices, including specialty and antique cars. Second, they offer 24/7 roadside assistance. And third, they are more affordable than Big Rental—and they don’t come with hidden fees.

By enabling car sharing with the reasonable requirements of SB 386, you empower Wisconsin citizens to make money while promoting competition in the marketplace.

SB 386 is pro-innovation and therefore pro-consumer

The rise of digital platforms, especially peer-to-peer ones, has threatened incumbents in all industries. This disruptive technology has proven popular with consumers. So much so that incumbents have been caught so off guard that rather than invest in their own research and development, or rather than adapt to changing consumer preferences, they have instead sought to squash innovation and strangle competition.

But SB 386 pushes back on this anti-consumer effort by making clear rules of the road for Wisconsin citizens sharing their vehicles. Give consumers more choice, increasing competition in the marketplace, and empowering your constituents to earn more money.

The peer-to-peer economy helps average Americans supplement their incomes by letting them rent assets they already own. Here, for example, car-sharing platforms let your constituents earn from their own cars, which they can then use to make car payments, pay insurance premiums, or cushion the financial blow from coronavirus.

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SB 386 is a simple bill that creates clear rules of the road for car-sharing, allowing your citizens to earn some extra income. **We ask you to advance SB 386.**

As ever, we offer ourselves as a resource to discuss any of these issues with you in further detail, and we appreciate the opportunity to provide the committee with our thoughts on this important matter.

Sincerely,

Carl Szabo
Vice President & General Counsel
NetChoice

NetChoice is a trade association that works to make the internet safe for free enterprise and free expression.

¹ Auto Rental News, 2020 Fact Book 15 (2020), <http://digital.autorentalnews.com/factbook2020#&pageSet=6>.