



WISCONSIN
TECHNOLOGY
COUNCIL

January 19, 2022

TO: Rep. David Steffen, chair, Assembly Committee on Insurance
FROM: Tom Still, president, Wisconsin Technology Council
RE: Assembly Bill 737

Dear Chairman Steffen and members of the committee:

I'm not an insurance industry expert, nor could I ever play one on TV. No one in my family has a spare vehicle sitting in the garage and available for rent.

What my organization, my board and I do understand is how good public policy can help drive entrepreneurship and create a more dynamic economy for Wisconsin. The legislation before you today – Assembly Bill 737 – stands to do just that.

The bill and its Senate companion generally require that peer-to-peer motor vehicle sharing programs such as Turo and Avail assume liability for the owners of shared vehicles and set certain other requirements for these programs – without imposing undue burdens on the people who own the vehicle to be rented.

In that sense, it is one of the latest examples of what people call “the sharing economy,” or the “gig economy,” or the “peer-to-peer economy.”

Whatever the name, the definition is pretty much the same: It is an economic system in which assets or services are shared between private individuals, either free or for a fee, most typically by means of the internet.

The rise of the sharing economy means the technology is available to easily rent your car, your apartment, your bike, your dog-walking services, even your Wi-Fi network when you don't need it.

The sharing economy has brought innovation to industries that need a dose of “creative destruction,” which the economist Joseph Schumpeter defined as an entrepreneurial push from below to compel adoption of more efficient practices at the top.

The peer-to-peer economy allows people to exchange goods and services with one another at scale. These exchange relationships often undercut traditional arrangements, usually by reducing transactional friction or taking middlemen out of the equation.

Think of terms like crowdfunding, couch-surfing, co-working, ride sharing and talent sharing. Those terms are part of the language today because they work for millions of people.

The Tech Council has long supported the notion of the peer-to-peer economy because it creates new opportunities, fosters company formation, tears down regulatory barriers imposed by those who prefer to be “fenced in,” and because it leverages technology.

Our organization also supports innovation in transportation – new ways to move people efficiently – which this bill also embraces.

Specifically, our “white papers” report released a year ago addressed innovation in transportation (page 4, executive summary; page 14 in Improve Tech Infrastructure section) and removing “fence-me in” obstacles to market diversification (page 4 in executive summary; page 18 in Entrepreneur section). <https://wisconsintechcouncil.com/publications/wtc-white-papers/>

I would ask committee members to consider what this bill will do to enhance one of Wisconsin’s core industries ... tourism.

The COVID-19 pandemic will eventually recede to the point that more people will want to get out and see what Wisconsin has to offer them in terms of leisure activities. Many will drive their own cars to get here, but some won’t – either because they don’t own a car or prefer not to use it if they do.

For those people, traditional car rental agencies are one option, but they might find it more affordable, more available or more convenient to try peer-to-peer car rental. They deserve the option to do so in Wisconsin, just as people in 20 other states can do now.

On behalf of the Tech Council, I urge you to pave the way for the introduction of this technology platform to Wisconsin and to avoid adding regulatory or tax hurdles that would inhibit its implementation.

Thank you for your time today and I welcome any questions.

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