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Congress of the United States
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Washington, DC 20515-1004

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AND CAPABILITIES
STRATEGIC FORCES

April 21, 2016

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Chairwoman Ramirez:

It is my understanding that the Federal Trade Commission (FTC) may be in the process of preparing a report on issues relating to the sharing economy following the public workshop that the Commission held on June 9, 2015. I write to request the FTC carefully examine the competition, regulatory, and consumer protection issues relating to the sharing economy, and specifically whether a lack of federal regulation in these markets has resulted in harm to consumers or competition.¹

Sharing economy platforms have created new channels for competition while removing barriers to entry in existing markets.² These platforms have also improved the affordability, convenience, and the environmental impact of goods and services,³ adding value and new opportunities for consumers.⁴ Sharing economy platforms may also promote local economic growth and create additional income for workers.⁵

But while these platforms have opened new markets to competition that were nonexistent only a few years ago, they have also raised novel and complex regulatory issues that were previously unimaginable. Indeed, as you have remarked, the same "creative destruction" that has resulted in consumer benefits by these platforms "may also pose risks that consumers do not face with traditional suppliers, which are often subject to regulation."⁶ As other concerned commentators

¹ See, e.g., Benjamin Edelman & Damien Geradin, *Competing with Platforms That Ignore the Law*, HARVARD BUSINESS REVIEW (Mar. 25, 2016), <https://hbr.org/2016/03/competing-with-platforms-that-ignore-the-law>.

² Miller, *supra* note 1, at 12, 17 ("The sharing economy also creates new markets . . . these new markets of the sharing economy seem to be "blue oceans.").

³ PWC, *Consumer Intelligence Series: The Sharing Economy* 9 (Apr. 2015), <http://www.pwc.com/CISsharing>

⁴ Byron Auguste, et al., *Common Ground for Independent Workers: Principles for Delivering a Stable and Flexible Safety Net for All Types of Work*, MEDIUM (Nov. 10, 2015), <https://medium.com/the-wtf-economy/common-ground-for-independent-workers-83f3fbcf548f#yp65dtx9v>.

⁵ David Robinson, *Bending The Moral Arc of the Gig Economy*, MEDIUM (Dec. 9, 2015), <https://medium.com/equal-future/bending-the-moral-arc-of-the-gig-economy-648f8e65219c#4fm1d36io>.

⁶ Edith Ramirez, Chairwoman, Fed. Trade Comm'n, Keynote Remarks at the Fordham Law School 42nd Annual Conference on International Antitrust Law and Policy (Oct. 2, 2015),

https://www.ftc.gov/system/files/documents/public_statements/810851/151002fordhamremarks.pdf.

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have noted, some platforms have also grown through their ability to “circumvent or change regulations.”⁷

During the Commission’s public workshop, *The “Sharing” Economy: Issues Facing Platforms, Participants, and Regulators*, a number of commentators across a broad spectrum of interests called for flexible regulation to ensure an even playing field,⁸ innovation, and consumer protection.⁹ There was also broad agreement that competition drives growth across both incumbent and emerging industries.¹⁰ Some have also expressed concern that regulatory asymmetry has undermined competition and consumer protection,¹¹ and that forward-looking rules would do much to create an even playing field for new entrants and incumbents alike.¹²

The sharing economy has provided consumers and innovators alike with ground-breaking opportunities to exchange high-quality goods and services by disrupting traditional business models. However, as with any blossoming market place, the sharing economy must operate within in a framework that promotes competition and protects consumers.

I commend the FTC for its leadership and proactive approach to this emerging issue, and I look forward to a comprehensive report on this matter. If you have any questions, please contact my staff, Slade Bond, at (202) 225-6906.

Sincerely,



Henry C. “Hank” Johnson, Jr.
Ranking Member
Subcommittee on Regulatory Reform,
Commercial and Antitrust Law
House Committee on the Judiciary

⁷ David Robinson, *supra* note 5.

⁸ FED. TRADE COMM’N, JUNE 9, 2015 WORKSHOP TRANSCRIPT, THE “SHARING” ECONOMY: ISSUES FACING PLATFORMS, PARTICIPANTS, AND REGULATORS 114 (2015) (statement of Vanessa Sindors, Senior Vice President, American Hotel & Lodging Association), https://www.ftc.gov/system/files/documents/public_events/636241/sharing_economy_workshop_transcript.pdf.

⁹ *See, e.g., id.* at 111 (statement of David Hantman, Head of Global Public Policy, Airbnb) (“We do think regulation—fair regulation—is needed around this. Not every company is responsible.”)

¹⁰ *Id.* at 114 (statement of Vanessa Sindors, Senior Vice President, American Hotel & Lodging Association).

¹¹ *Id.* at 115 (statement of Matt Daus, former Taxi Commissioner of New York City) (“[T]here is an unlevel playing field that is compromising consumer safety, endangering the character and security of residential neighborhoods across the country, and changing the housing market in some negative ways.”).

¹² *Id.* at 137 (statement of David Hantman, Head of Global Public Policy, Airbnb) (“We’d love it if we could do that and be on the level playing field that you’ve discussed.”); *id.* at 151 (statement of Adam Thierer, senior research fellow with the Technology Policy Program, Mercatus Center at George Mason University) (“[T]here’s always this need about leveling the playing field in sectors that are undergoing comprehensive technological transformation. And that’s a challenging question, and a very legitimate problem, because of the creation of regulatory asymmetries in these industries and sectors in transition.”).

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cc: The Honorable Bob Goodlatte, Chairman, House Committee on the Judiciary

 The Honorable John Conyers, Ranking Member, House Committee on the Judiciary

 The Honorable Tom Marino, Chairman, Subcommittee on Regulatory Reform,
 Commercial and Antitrust Law, House Committee on the Judiciary

 The Honorable Maureen Ohlhausen, Commissioner, Federal Trade Commission

 The Honorable Terrell McSweeney, Commissioner, Federal Trade Commission