TechNet

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August 4, 2015

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

The Honorable Julie Brill
Commissioner
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

The Honorable Maureen K. Ohlhausen
Commissioner
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

The Honorable Joshua D. Wright
Commissioner
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

The Honorable Terrell McSweeney
Commissioner
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

Re: Sharing Economy Workshop, Project No. P15-1200

Dear Chairman Ramirez and Commissioners:

On behalf of TechNet, the nation's premier network of innovation economy CEOs and senior executives, I am writing to offer perspective on the various competition, consumer protection and economic issues raised by the unprecedented growth of the global sharing economy.

Today, Americans in all 50 states have access to the sharing economy, innovative companies that are disrupting traditional business models and empowering consumers with more efficient and affordable marketplace choices.

The rapid adoption of Transportation Network Companies (TNC) is a testament to the popularity of the sharing economy model. Tens of millions of Americans across the country have used a TNC to meet their transportation needs, including as a complement to existing forms of public transportation.

This growth provides economic opportunity for drivers and real choice for consumers. For example, in the San Francisco Bay Area alone, over 20,000 people drive for Uber, a TechNet member company. This is astounding for a concept that did not exist five years ago.

In the past year, legislation that regulates TNCs has been adopted in a quarter of states across the country, including: Arizona, California, Colorado, the District of Columbia, Georgia, Illinois, Kentucky, Maryland, Nebraska, Oklahoma, Tennessee, Virginia, Washington, Wisconsin, Indiana, and Utah.

While TechNet has been a party to many positive and thoughtful discussions with local, state, and federal officials about ridesharing, we understand that many officials continue to be concerned about whether and how the industry will serve the public interest and preserve competition. TechNet shares these concerns and is working with lawmakers, customers and third parties to ensure that such issues are resolved in a way that advances the shared goals of providing safe, reliable, and affordable rides to all consumers.

TechNet has been particularly engaged in efforts to reform state and local regulations to enable TNCs to enter and compete in markets across the United States, and we would like to call three distinct areas to the FTC's attention.

1. Price Controls:

In multiple jurisdictions, governments have mandated rates for transportation service that exceed the average rate charged by sharing economy companies. By mandating an above-market rate, regulators undercut the ability of innovators to match supply to demand and bring competitive pricing and new choices to a given market.

2. Complex Regulatory Barriers:

Sharing economy companies also face intentionally complex and burdensome regulatory barriers that appear to serve no purpose except to limit new entrants in a marketplace. For example, on August 6, 2014, the city of Houston, Texas adopted a ridesharing ordinance that would make no meaningful difference in the safety or quality of ridesharing services but would, according to Mayor Annise Parker's office, cost the city over half a million dollars to administer the regulations by requiring the hiring of eight new employees.

3. Arbitrary Airport Authority Regulations:

In TechNet's experience, airport authorities continue to be an extreme example of how misguided regulatory processes block new entrants, even when these same services are legal, popular and well-regulated in the surrounding municipalities and states. In far too many cases, even after the relevant state and local governments have adopted regulations for TNCs, airport authorities continue to add additional requirements that only serve the purpose of blocking competition.

For example, the Louisville, Kentucky airport requires drivers follow an outdated and unnecessary grooming policy. Among the representative language for female drivers: "…a dress, skirt, trousers or slacks of appropriate length and design or (only between May 15 and September 15) knee-length shorts which are clean, not denim and not cutoffs; shirt or blouse; neat and clean footwear and proper hosiery." Examples of overreaching in other jurisdictions include: paper comment cards in all vehicles, triple access fees as compared to taxis, and onerous driver fingerprinting requirements.

TechNet and its member companies stand ready to work with airport authorities, as we have with hundreds of local, state, and federal officials, to ensure that regulations reflect the public interest and consumer demand. Those officials should be able to demonstrate that the regulations they require serve a specific consumer and public good.

TechNet appreciates the Federal Trade Commission's commitment to fostering a truly competitive marketplace that provides workers and consumers with credible choices. We strongly believe that the sharing economy can significantly aid the FTC in its mission and look forward to working with the Commission on this matter.

Sincerely,

Mike Ward
Vice President, Federal Policy
TechNet