

**The “Sharing” Economy:
Issues Facing Platforms, Participants, and Regulators
A Federal Trade Commission Workshop**

The Federal Trade Commission (“Commission” or “FTC”) will hold a workshop to explore issues relating to emerging internet peer-to-peer platforms—often called the “sharing” economy—and the economic activity these platforms facilitate. The workshop will examine competition, consumer protection, and economic issues arising in the sharing economy to promote more informed analysis of its competitive dynamics as well as

continuous growth of computing power, including the proliferation of mobile internet-enabled devices.

Despite the popularity of the term, transactions in the sharing economy typically do not involve sharing in the traditional sense of the word. Suppliers in this space are motivated primarily by commercial interests and profit-seeking opportunities. To be sure, in some sharing economy sectors, suppliers are renting or employing their assets, such as cars or apartments, for use by others, thereby improving utilization of those assets. Such transactions, however, typically involve payment for access to the asset or service rather than in-kind exchanges.

The sharing economy has expanded rapidly in recent years, most significantly in the transportation and accommodation sectors, though sharing economy platforms now operate in a broad range of areas.

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intermediaries between members of the public. This has led to transactions facilitated by such intermediaries being termed “peer-to-peer.” Car-hire and housing platforms have attracted the most attention, but consumers in some areas now can use platforms to find everything from custom-made goods to designer clothes to tool and equipment rental.

The sharing economy opens new, previously unavailable opportunities for profitable trade, facilitating better use of underutilized resources such as spare rooms or apartments, idle automobiles, or the labor of underemployed individuals. Sharing economy platforms facilitate peer-to-peer transactions by using modern information technologies to enable buyers and sellers to find transaction partners, agree to terms, and execute transactions at low cost. These platforms

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On the other hand, some proponents of sharing platforms have argued that there is a mismatch between existing regulation and new platform suppliers. Regulations, they explain, should be tailored to account for these differences and to avoid undue restrictions on new entry and competition. For example, some regulations written to apply to large commercial entities such as hotels may not be needed for individuals occasionally renting their homes, and imposing them could pose an effective bar to such activity. Others argue that some state and local regulations may be the product of regulatory capture or be outmoded and that the best solution would be to reform these regulations for all sources of supply, not just for those using platforms. They also argue that features of the platform, such as assurances provided by trust mechanisms or fare notifications, may better meet the concerns addressed by existing regulation.

Regulators are considering how best to balance competition and regulatory objectives in applying existing regulation to new sources of supply enabled by sharing economy platforms. The workshop will consider how to identify which regulations are necessary to protect consumers and how to avoid regulations that may unnecessarily chill innovation, entry, and competition without fulfilling legitimate purposes such as health, safety, or consumer protection goals. It also will consider whether, and the extent to which, applying existing regulations to sharing economy suppliers could result in regulatory mismatch. It also may examine how platforms might collect data useful to regulators in carrying out their legitimate objectives while adequately protecting the privacy interests of participants.

Further, the workshop will examine whether, and the extent to which, platform trust mechanisms support the achievement of longstanding consumer protection goals. At the same time, the workshop will address how the operation of sharing economy platforms also can raise a variety of additional consumer protection concerns for participants using the platforms. For example, the platform may collect, retain, and share information about its participants, including location data, which may raise privacy questions.

The Commission invites public comment on questions relevant to this topic, including:

- x How have sharing economy platforms affected competition, existing suppliers, innovation, and consumer choice in sectors in which they operate? How might they do so in the future?
- x How can state and local regulators meet legitimate regulatory goals (such as protecting consumers, public health and safety) while also promoting competition and innovation?
- x What particular concerns or issues for protecting platform participants are raised in the context of sharing economy transactions?
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- x To what extent should sharing economy platforms be able to monitor participants, e.g., by collecting locational data? If they do monitor participants, how can they do so while adequately protecting the privacy of participants?
- x How should antitrust analyze whether sharing platforms compete in the same market as other platforms? Similarly, how should antitrust analyze whether suppliers of a particular good or service using one platform compete with suppliers using other platforms, with traditional sources of supply, with both or with neither?
- x In what situations are certain types of sharing economy platforms more or less likely to achieve dominance due to network effects? How might the evolution of these platforms affect competition, consumer protection, and regulatory policy?

How To Submit Comments

The Commission invites interested parties to submit written comments electronically or in paper form. Comments filed in paper form should be mailed or delivered to the following address: Federal Trade Commission, Office of the Secretary, Room H-113 (Annex X), 600 Pennsylvania Avenue NW, Washington, DC 20580; 202-326-2084. Comments in electronic form should be submitted by using [this weblink](#) and following the instructions on the web-based form.

As explained above, comments received by May 26, 2015 may be considered in preparation for the workshop. The final deadline for comments is August 4, 2015.