

**Keynote Remarks of FTC Chairwoman Edith Ramirez**  
**42<sup>nd</sup> Annual Conference on International Antitrust Law and Policy**  
**Fordham Law School**  
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It is a pleasure to be back at the Fordham Conference on International Antitrust Law and Policy. I want to take this opportunity to highlight the proliferation of peer-to-peer Internet platforms is creating new sources

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<sup>1</sup> JOSEPH SCHUMPETER, CAPITALISM, SOCIALISM, AND DEMOCRACY 84 (3d ed. 1950).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 83.

of supply for products and services ranging from ride-sharing to short-term rentals to micro-lending. We are also seeing new types of organization. Indeed, these peer-to-peer business models may defy conventional definitions. In California, for example, there is a dispute over whether Uber drivers are employees or independent contractors of Uber.<sup>4</sup> Some argue that there needs to be an entirely new classification that captures the hybrid nature of this type of work.<sup>5</sup>

The new forms of competition created by these peer-to-peer business models may well bring the competitive benefits of “creative destruction” to consumers. At the same time, they may also pose risks that consumers do not face with traditional suppliers, which are often subject to regulation.

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## **I. Key Attributes of the Sharing Economy**

Let me start with a bit of context for our work in this area. As most of you know, the FTC enforces laws, primarily Section 5 of the FTC Act, that prohibit unfair methods of competition and unfair and deceptive acts or practices. Pursuant to this authority, we seek to identify business practices and regulations that impede competition without offering countervailing benefits to consumers and advocate for policies that promote competition and consumer protection. In addition to enforcement and advocacy, we also engage in research to ensure that the Commission has the data and information it needs to make sound decisions, track market developments, and chart future priorities.

We use the term “sharing economy” to refer to digital platforms that serve as marketplace intermediaries that enable small buyers and sellers of products and services to identify trading partners. These platforms are in contrast to more traditional platforms through which a single supplier offers goods or services to potential buyers.

This past June, we convened a public workshop to explore economic, consumer protection, and competition issues associated with Internet-based peer-to-peer platforms and the economic activities that these platforms facilitate.<sup>6</sup> We also solicited and received close to 2,000 comments from stakeholders and members of the public.

What have we learned so far? For starters, the sharing economy as a whole has grown rapidly, led by peer-to-peer platforms for ride-sharing like Uber and short-term lodging rentals

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<sup>6</sup> See *The “Sharing” Economy: Issues Facing Platforms, Participants, and Regulators*, FED. TRADE COMM’N (June 9, 2015), available at <https://www.ftc.gov/news-events/events-calendar/2015/06/sharing-economy-issues-facing-platforms-participants-regulators>.

like Airbnb. Globally, sharing economy transactions totaled an estimated \$26 billion in 2013, and some predict that the annual total could grow to as much as \$110 billion in the near future.<sup>7</sup>

Peer-to-peer platforms have existed for some time – dating back at least to the 1990s (e.g., Ebay). Bsp(v)-l(n1)-a(b)-lf(uc)o214(-4(s-(h6-s ]5) 04rTcs)al-2-8s]5)o214( n(v)-Tcc -0004 Tc-0.002 T







responsive to consumer demand and may promote a more economically efficient use of personal vehicles.

Of course, regulatory boards and other policymakers may have legitimate consumer protection and other public interest objectives for regulation, among them public safety. But policymakers must carefully consider the potential competitive effects of such regulations as well as the justifications being urged to support them.



including one requiring that digital dispatch services provide the Taxicab Commission with a daily data feed containing detailed trip information, could serve as technical barriers to entry

necessary to protect consumer safety.<sup>12</sup> Similarly, in Brazil, CADE has stated it will file amicus briefs in court proceedings in which services such as Uber are being challenged.<sup>13</sup> And the French competition authority has also issued opinions reflecting a pro-competitive view of Uber and related services.<sup>14</sup>

### **III. Conclusion**

Let me close by emphasizing once more that the public policy questions raised by the sharing economy are complex and challenging. For instance, assuming these new business models may benefit consumers, how can regulators provide a regulatory framework flexible enough to allow them to realize their full potential? Do existing regulatory frameworks have to be reworked or even abandoned due to these developments?

How do we also ensure that these same new business models do not inadvertently erode beneficial, existing consumer protections in such diverse areas as health and safety, privacy, and data security? Can the trust mechanisms built into some of these new business models replace regulation?

How do we best avoid creating two distinct regulatory tracks – with one set of rules for is mhules for

differential in favor of new entrants should be just as undesirable as retaining regulations that deter meaningful entry.

And how should regulators appropriately respond to a highly dynamic market in which the business models of today may be completely transformed tomorrow?

These are hard questions with no simple answers and competition enforcers around the world are grappling with them. We are working together with our international colleagues to exchange views and benefit from one another's work.<sup>15</sup> Meanwhile, at the FTC, we will continue to examine how sharing economy platforms disrupt traditional businesses in their respective sectors, and how policy responses can both promote innovation and competition while protecting consumers and legitimate public policy goals.

Thank you.

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<sup>15</sup> As examples, in June 2015, the Competition Committee of the Organisation for Economic Cooperation and Development held the first in a series of discussions on competition policy responses to disruptive