

## AH&LA URGES LEVEL PLAYING FIELD AT FTC ‘SHARING ECONOMY’ WORKSHOP

*Panel includes representatives from Airbnb, NYC Taxi and Limousine Commission, Uber and National League of Cities*

**Washington, June 9, 2015**— The American Hotel & Lodging Association (AH&LA) participated in today’s Federal Trade Commission (FTC) “Sharing Economy” Workshop aimed at exploring the relationship between competition, consumer safety, economic growth and regulation. Senior Vice President and head of Governmental Affairs, Vanessa Sinders, joined a panel discussion with representatives from Airbnb, NYC Taxi and Limousine Commission, Uber and National League of Cities.

AH&LA’s Sinders focused on the importance of leveling the playing field to ensure consumer safety and uphold competition, saying that all market players in the lodging business should abide by commonsense laws and regulations that protect the health, safety and well-being of their guests.

Sinders said, in part: “Our industry remains successful because our members embrace a highly competitive business model where everyone plays by the same rules. And that is what we are here today to discuss. Right now there is an un-level playing field that is compromising consumer safety, endangering the character and security of residential neighborhoods around the country, and changing the housing market in some negative ways.”

### **Please read the full text of Ms. Sinders’ opening remarks below:**

Good afternoon. I’m Vanessa Sinders with the American Hotel & Lodging Association. We represent the entire hotel industry across the United States.

From traditional bed and breakfasts, small properties, and independent hotels, to the big brand companies and major ownership groups.

Competition is a hallmark of the lodging industry. We welcome it. It makes us better and stronger. Competition drives growth, more jobs, innovation, new technologies, and new models on how to better serve our guests. And as one of the most competitive industries out there, we see this every day.

And it’s a great time to be in the hotel business. We are experiencing dynamic growth and opportunity.

Our industry is responsible for 1.8 million jobs in communities across America and has been one of the few bright spots of job creation during the recent economic recovery.

We have also contributed billions of dollars to local, state and federal coffers. Last year alone, we generated \$134 billion in federal, state, and local tax revenue.

Our industry remains successful because our members embrace a highly competitive business model where everyone plays by the same rules. And that is what we are here today to discuss. Right now there is an un-level playing field that is compromising consumer safety, endangering the character and security

of residential neighborhoods around the country, and changing the housing market in some negative ways.

The hotel industry is all about the guest experience and providing our customers with extraordinary service and a safe and secure environment, from start to finish.

Indeed, we, in the hotel business, are guided by certain overarching principles: Ensuring the safety and security of our guests; providing quality guest service; being good partners in the communities in which we operate, grow and develop them; and providing jobs and a pathway to upward mobility for our employees.

Yet, increasingly we hear concerns about new market players that undermine these principles and raise questions about consumer safety, and the changing face of communities and neighborhoods.

Market players handling transactions, especially ones like Airbnb which is an estimated \$20 billion enterprise, have certain obligations to uphold such as:

Ensuring that the fair share of taxes are paid, not picking and choosing what taxes to pay.

Ensuring that commonsense safety, security, health, and fire standards are followed, not picking and choosing what standards are important.

Hoteliers follow a strict set of rules and regulations to ensure the safety and security of guests and communities, and we take these responsibilities very seriously.

But there are a lot of questions about whether the same can be said for these new companies, such as Airbnb. Even further, their mere existence may violate the law in some places.

New York is a prime example. The state's Attorney General found that 72% of short-term online rentals listed on Airbnb in New York City are illegal.

And his report also showed that this is not about the mom or pop or grandmother occasionally renting out their apartments to make some extra money on the side.

The report revealed that 6% of hosts on Airbnb dominated the site, generating nearly 40% of total revenue. This is a clear indication that Airbnb is making a substantial amount of its revenue off of illegal hotels.

These are not mom and pops, these are individuals or companies operating multiple properties as a business. These are not students making ends meet, they are rogue commercial interests. They are simply illegal hotels. And they should have to meet the regulatory obligations of the jurisdictions in which they operate, as hotels do, to protect the health, safety and well-being of their guests as well as the safety and character of the neighborhoods in which they operate.

Simply put, we believe that if you look like a hotel and if you act like a hotel, then you should be treated

like a hotel.

Today's discussion here at the FTC, a body whose job it is to protect consumers, is an important one. It will set a path on how best to ensure that as new platforms come to market, engaged in commercial transactions, they respect the rules of the road and protect the safety and security of guests and surrounding neighborhoods.

Consumers, homeowners, and communities are counting on us to get it right.

Thank you.