

Opening Statement of the Honorable Michael C. Burgess, M.D.
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “The Disrupter Series: How the Sharing Economy Creates Jobs, Benefits Consumers, and Raises Policy Questions”
September 29, 2015

(As Prepared for Delivery)

Good morning and welcome to our hearing on the sharing economy. We are lucky to be here this morning to be able to talk about a sector of the economy actually putting people to work.

All of us here on the dais endure the typical government skirmishes – here in Washington we spend a lot of time quibbling over the proper size and role of government.

So it is uniquely refreshing for us to remind ourselves that the private sector is often working to solve the same problems we are and doing so in a way that fosters jobs through innovation.

The opportunities sharing platforms provide are often in addition to – not necessarily instead of – the streams of income available through traditional sources.

The sharing economy has captured the entrepreneurial spirit of many Americans already. Those who engage in freelance jobs are expected to skyrocket to 40 percent of the workforce in the next five years – about 7.8 million of which will be participating in the sharing economy.

The sharing economy is an excellent example of why I fight for smaller government. And I want to hear about how technology has built in accountability and consumer protections into the platform.

Because eventually we must confront the question of whether and how Congress responds to these types of firms.

Many suggest no action is warranted either by Congress or local regulators, and others are seeking direct and immediate intervention from Congress.

There should be some limited government oversight, particularly where safety is needed. And firms should be thinking about privacy and cybersecurity from the outset, lest they invite the very regulation they would rather avoid. But generally speaking, the sharing economy companies do face regulations, like most other firms, under the typical patchwork of federal and state laws.

And I for one am more concerned about existing regulations hurting new jobs than I am about the need for new regulations. CEI estimates that the federal government has already stifled progress enough through regulation – to the tune of \$1.8 trillion per year.

Meanwhile, the sharing economy generated \$15 billion in global revenues in 2013 and will generate \$335 billion annually by 2020.

We should be highly skeptical of interventions that snatch away new conveniences and measurable benefits for consumers. Sharing platforms are inherently good at providing reputation feedback loops.

As we look at any disruptor, we really need to ask is regulation needed or is someone just scared of a change to the status quo?

I thank the witnesses for participating and look forward to a lively and informed discussion.

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