



June 5, 2018

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia  
1350 Pennsylvania Avenue NW, Suite 504  
Washington, DC 20004

**RE: Internet Association opposition – Council ride-hailing taxation and data sharing proposal**

Dear Chairman Mendelson,

On behalf of Internet Association (IA), I must respectfully express significant opposition to recent Council budget proposals regarding the regulation and taxation of app-based ride-hailing services, also known as transportation network companies (TNCs). IA believes the proposals would disadvantage lower-income riders and set a concerning data sharing precedent that threatens consumer privacy and data security.

IA represents more than 40 of the world's leading internet companies and advances public policy solutions that foster innovation, promote economic growth, and empower people through the free and open internet.

IA strongly encourages the Council to adopt the original budget compromise that TNCs and stakeholders worked on in collaboration with the Mayor and Council. This agreed upon budgetary compromise will help DC leaders address the critical Metro funding problem. The reasonable compromise, which was proposed by Mayor Bowser and approved by the Committee on Finance and Revenue, would provide Metro funding with a tiered tax approach that incentivizes TNC carpool products over single-passenger trips. It also would demonstrate the Council's understanding that TNC carpool options not only help reduce traffic and pollution, but also provide lower-income riders affordable and reliable transportation options including those outside of Metro service areas.

TNCs bring jobs and economic development to traditionally underserved communities in Washington, DC. This proposal makes it more difficult for them to continue this good work and provide consumers with innovative options – such as carpooling services. The current proposal fails to incentivize congestion reducing, lower cost services by applying the same 6 percent tax rate to carpooling as it does on single-passenger rides. It also includes last minute TNC data sharing requirements that threaten consumer privacy and data security.

IA member companies are committed to protecting user privacy and maintaining their trust. Ordinances that require particular online platforms to provide government officials access to recurring user data sets a dangerous precedent. It violates a fundamental tenet of online privacy and consumer trust – that a user's information and online activities will not be summarily turned over to government authorities without sufficient legal justification.



Compelling TNCs to turn over highly sensitive consumer data demands more thoughtful, public consideration to achieve a policy that yields the highest public benefit. IA and member companies welcome the opportunity to discuss with the Council what the District is looking to achieve with such broad data sharing requirements.

IA stands ready and willing to work with you and your colleagues on the Council to find an effective solution that addresses community needs, allows the industry to continue flourishing, and better reflects the values of the innovative hub that is the District of Columbia.

Please don't hesitate contact me at 916-836-8984 or [Kimzey@internetassociation](mailto:Kimzey@internetassociation) to discuss any questions or concerns regarding IA's position. Thank you.

Sincerely,

Lauren Kimzey  
Director, Local Government Affairs

CC: Members, Council of the District of Columbia