



# Internet Association

December 1, 2016

The Honorable President Tsai Ing-wen  
Office of the President Republic of China (Taiwan)  
No. 122, Sec. 1, Chongqing S. Rd., Zhongzheng District  
Taipei City 10048  
Taiwan (ROC)

Dear President Tsai:

The Internet Association's<sup>1</sup> mission is to foster innovation, promote economic growth, and empower people through the free and open internet. The internet creates unprecedented benefits for society, and as the voice of the world's leading internet companies, we ensure stakeholders understand these benefits. We strongly believe that the continued growth of the internet as a global medium for innovation, trade, and commerce is made possible by laws and government practices that preserve the vitality of an open and consumer-oriented internet environment. A core component of this mission is to encourage rules that promote fair and equitable treatment of internet-based platforms around the world.

Taiwan is a global technology champion. The Internet Association commends you for promoting Taiwan as “Asia’s Silicon Valley,” as well as appointing a digital minister in order to send a clear message that Taiwan has a tech-friendly policy environment for startups to grow and thrive. Unfortunately, we are increasingly concerned by actions the Government of Taiwan is taking that will impact innovation and economic growth in the internet-enabled ridesharing market.

Ridesharing platforms, like Uber, utilize technology to connect passengers and others to drivers who use the application to provide automobile transportation services. Unfortunately, the Legislative Yuan is considering a change to the law that would raise fines against driver-partners on the Uber platform to the highest anywhere in the world - from NTD150,000 (US\$4,700) to NTD25,000,000 (US\$785,000). Additionally, the Directorate General of Highways recently called for the removal of the Uber application from mobile app stores. We respectfully call on the Government of Taiwan to stop these efforts that will shut down competition, innovation, and consumer choice in the ridesharing market. Collectively, these actions represent an unprecedented targeting of a leading technology company and would effectively shut down ridesharing in Taiwan.

While we disagree with the current approach, we do believe the Government of Taiwan can play a critical role in the ridesharing industry and should consider regulation with respect to basic safety precautions, insurance, and appropriate taxation. We understand Uber has submitted multiple proposals to the Government of Taiwan to recognize and regulate ridesharing, which is

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<sup>1</sup> Airbnb, Amazon, Coinbase, DoorDash, Dropbox, eBay, Etsy, Expedia, Facebook, FanDuel, Google, Groupon, Handy, IAC, Intuit, LinkedIn, Lyft, Monster Worldwide, Netflix, Pandora, PayPal, Pinterest, Practice Fusion, Rackspace, reddit, Salesforce.com, Snapchat, Spotify, SurveyMonkey, Ten-X, TransferWise, TripAdvisor, Turo, Twitter, Uber Technologies, Inc., Upwork, Yahoo!, Yelp, Zenefits, and Zynga



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an entirely new technology and business model for Taiwan, but so far these efforts have failed to produce a meaningful outcome. Further, Uber has also shared their global experience on taxation with Taiwanese officials to help resolve any tax-related questions. While we support efforts to strike the appropriate regulatory balance, such regulations should not be disguised attempts to stifle competition and protect incumbent industries. Good regulatory policy should aspire towards smart regulations that unlock economic opportunities and consumer choice for all.

We respectfully request that further action on these competition-killing proposals be halted. We are certain that with more time to allow for a full hearing from all stakeholders, including consumers and Uber's drivers, a fair and balanced solution can be found that will facilitate consumer choice and allow new and innovative technologies to thrive in Taiwan. If these proposals move forward in their current form, we fear this will only give Taiwan a black-eye by drawing up a blueprint regarding how to most effectively protect monopolies and cartels from the consumer-oriented power of the internet.

We urge your government to allow your citizens to choose to utilize innovative, welfare-enhancing technologies to lower costs and save time, and to reject unprecedented actions that will stifle innovation and economic growth. Thank you for your quick considerations of these issues and we look forward to working with you on a consumer-oriented solution.

Sincerely,

Michael Beckerman  
President & CEO  
Internet Association

cc:

Premier Lin Chuan, The Executive Yuan Republic of China  
President Su, Jia-chyuan, The Legislative Yuan Republic of China  
Convener Ker, Chien-Ming, Democratic Progressive Party Legislative Caucus  
Convener Liao, Kuo-Tung, Kuomintang Legislative Caucus  
Convener Hsu, Yung-Ming, New Power Party Legislative Caucus  
Convener Lee, Hung-Chun, People First Party Legislative Caucus