

※注意：Part I 題目請於試卷內之「選擇題作答區」依序作答，Part II 請作答於試卷內之「非選擇題作答區」。

Part I (40%): Reading Comprehension (閱讀並回答下列問題於試卷內之「選擇題作答區」):

Article 1: "Real estate company helped to artificially inflate rents across America, Justice Department alleges," by Holmes Lybrand and Evan Perez, CNN, August 23, 2024

The Justice Department has filed a civil lawsuit against the real estate company RealPage, alleging the company's software uses landlord data to artificially inflate the price of rent across the United States by quelling competition in the market. According to the complaint, the Texas-based company uses nonpublic data from landlords to train RealPage's algorithm for pricing recommendations, creating a "vast scheme to subvert the competitive process," one Justice Department official said. "Americans should not have to pay more in rent because a company has found a new way to scheme with landlords to break the law," Attorney General Merrick Garland said in a statement Friday. "We allege that RealPage's pricing algorithm enables landlords to share confidential, competitively sensitive information and align their rents."

The software, according to the complaint, uses non-public data provided by landlords to see what competitors are charging or offering to maximize the amount landlords can charge as well as other ways they can make more money from renters. "The rent is too damn high, and this is one of the reasons why," Garland told reporters during a press conference on Friday. The complaint is unique in its allegation that an algorithm created by the company violates antitrust laws, Justice Department officials say, but still represents "one of the oldest" examples of violating antitrust laws in the United States.

The lawsuit from the Justice Department comes amid a rise in corporate landlords – companies that own large numbers of rental units – a fact that was central to the case. "It is not far from our minds that all of this collusion is occurring against the backdrop of...a concentration of corporate landlords," one official said of the complaint, "of people being evicted at higher rates when their landlords are corporate landlords who can afford to use this kind of software." The software, which the Justice Department says runs a monopoly on rental management software, is used in managing 3 million rental units across the United States, most of which are in Southern states. "In a free market, these landlords would otherwise be competing independently to attract renters based on pricing, discounts, concessions, lease terms, and other dimensions of apartment leasing," the Justice Department said in announcing the charges. "RealPage also uses this scheme and its substantial data trove to maintain a monopoly in the market for commercial revenue management software."

Article 2: Excerpts of "The Apartment Rental Market Is Rigged by Algorithms, a DOJ Lawsuit Alleges," by Brian Barrett, WIRED, August 23, 2024

The US Department of Justice claims that a company called RealPage is responsible for price-fixing across millions of apartment rental units nationwide (omitted) ... RealPage's reach is broad. It controls 80 percent of the market for software of its kind, which in turn is used to set prices of around 3 million units across the country, according to the DOJ. It already faces multiple lawsuits, including one from the state of Arizona and another in Washington, DC, where RealPage software is allegedly used to price more than 90 percent of units in large apartment buildings. RealPage's algorithmic pricing first gained broader attention when a 2022 ProPublica investigation detailed how the company's YieldStar software works

The DOJ civil lawsuit, which was joined by the attorneys general of eight states, is a significant escalation in legal action against the company. It's also a first for the DOJ, according to officials speaking on background during a call to discuss the complaint. While the government had previously filed criminal charges against an Amazon seller for algorithm-enabled price-fixing, this is the first civil action in which the algorithm itself, the Justice Department official says, was effectively the means of the violation. The complaint itself quotes RealPage executives allegedly acknowledging anticompetitive aspects of its product. "There is greater good in everybody succeeding versus essentially trying to compete against one another in a way that actually keeps the entire industry down," one RealPage executive allegedly wrote.

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RealPage has repeatedly denied any allegations of antitrust violations, going so far as to publish a six-page digital pamphlet that claims to tell “the Real Story” about its products, along with an extensive FAQ page on a dedicated public policy website. The company did not immediately respond to a request for comment. “Attacks on the industry’s revenue management are based on demonstrably false information,” one section of that site reads. “RealPage revenue management software benefits both housing providers and residents.” “We are disappointed that, after multiple years of education and cooperation on the antitrust matters concerning RealPage, the DOJ has chosen this moment to pursue a lawsuit that seeks to scapegoat pro-competitive technology that has been used responsibly for years,” said Jennifer Bowcock, senior vice president of communications and creative at RealPage, in an emailed statement. “RealPage’s revenue management software is purposely built to be legally compliant, and we have a long history of working constructively with the DOJ to show that.”

The DOJ disagrees. “Algorithms don’t exist in a law-free zone,” said Monaco in a press conference to discuss the case. “Training a machine to break the law is still breaking the law.” In this case, the complaint alleges that those algorithms consistently drove rental prices upward. “RealPage’s software tends to maximize price increases, minimize price decreases, and maximize landlords’ pricing power,” said the DOJ in a press release. RealPage also doesn’t just recommend prices; in many cases, it actively sets them. “RealPage actively polices landlords’ compliance with those recommendations,” said US attorney general Merrick Garland in today’s press conference. “A large number of landlords effectively agree to outsource their pricing decisions to RealPage by using an ‘auto-accept’ setting that effectively permits RealPage to determine the price a renter will pay.” The DOJ also claims RealPage has created a “self-reinforcing feedback loop” with its data intake and pricing recommendations structure that also gives it an alleged monopoly in the apartment revenue management software industry. Any competitor who plays by the rules, the DOJ claims, is at a distinct disadvantage.

The Justice Department has spent the past several years staffing up with technologists and data scientists, better enabling them to “interrogate the code,” as multiple officials described the investigative process. While this is the first major algorithmic collusion case, DOJ officials suggested it would be far from the last.

Answer the following questions. For Questions 1-4, select one answer choice:

1. (5%) According to Article 1, what is the primary accusation against RealPage by the Department of Justice (DOJ)?
 - a. Selling data to third-party advertisers.
 - b. Using an algorithm to illegally coordinate rent prices
 - c. Overcharging landlords for software.
 - d. Underpricing rental units to increase market share
2. (5%) According to Article 1, which type of landlords primarily uses RealPage’s software?
 - a. Individual property owners
 - b. Government housing agencies
 - c. Corporate landlords with large rental portfolios
 - d. Small, family-owned rental businesses
3. (5%) According to Article 2, what percentage of the rental software market does RealPage reportedly control?
 - a. 50%
 - b. 70%
 - c. 80%
 - d. 90%
4. (5%) According to the articles, what legal distinction makes the RealPage case significant for the DOJ?
 - a. It is the first case involving a private company in the rental housing industry.
 - b. It is the first civil case where an algorithm is claimed to have violated antitrust law.
 - c. It involves the largest fine in antitrust history.
 - d. It is the first time the DOJ has targeted the use of sensitive data.

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For the following questions, consider each of the choices separately and select all that apply:

5. (10%) According to the DOJ's lawsuit, what practices of RealPage are deemed problematic?
 - a. Using sensitive, confidential data for rent pricing.
 - b. Setting rental prices based on tenant input.
 - c. Actively enforcing landlords' compliance with its pricing recommendations.
 - d. Providing landlords with inaccurate market information.
 - e. Creating a feedback loop that reinforces higher rent prices.
6. (10%) According to the articles, what are the effects of RealPage's pricing algorithm on the rental housing market?
 - a. It increases landlords' pricing power.
 - b. It improves renters' access to affordable housing.
 - c. It encourages landlords to lower rents in competitive areas.
 - d. It limits competition among landlords.
 - e. It exclusively increases rent prices.

Part II (60%): Analytical Writing (分析寫作；作答於試卷內之「非選擇題作答區」)

Read the following article, and then plan and compose a response to the particular issue below. Responding to any other issue will receive a score of zero. Be sure to respond according to the specific instructions and support your position on the issue with reasons and examples drawn from such areas as your reading, experience, observations, and/or academic studies.

Article 3: Excerpts of "Is this algorithm driving your rent higher?" by Whizy Kim, Vox, September 6, 2024.

Today, algorithms rule everything around us. They serve us entertaining, or at least addictive, content on social media. They try to suss out which emails in our overstuffed inboxes might be most important, and which ones are spam. They act as matchmakers for our love lives. Increasingly, though, algorithms have also been deployed by companies, from Amazon to Uber to Wendy's, to figure out optimal—often higher—prices that can shift automatically based on a firehose of fine-grained data. Including, apparently, your rent.

Now, a software company called RealPage is being sued by the Department of Justice for using an algorithm that suggests rent prices to corporate landlords. The DOJ argues that its algorithm has driven rents higher, and constitutes an illegal information sharing scheme. That is, competitors (the landlords) who would otherwise be acting independently, have exchanged "nonpublic, competitively sensitive data" to the detriment of renters who don't have access to such knowledge. A 2020 ProPublica investigation quoted Andrew Bowen, then a RealPage executive, admitting that the software had probably driven up rental prices. "As a property manager, very few of us would be willing to actually raise rents double digits within a single month by doing it manually," he said. In the DOJ's complaint, one unnamed landlord is quoted praising a RealPage product as "classic price fixing" ... (omitted). Vox spoke to Christopher L. Sagers, a law professor at Cleveland State University, on why pricing algorithms are under scrutiny now — and how likely it is for the DOJ to win this case.

What is the part of what RealPage and its software does that the DOJ is saying violates antitrust law?

I think the relatively simple answer is (that) they do a few things with this data that cause them to be doing more than just providing information or helping landlords make decisions. Most importantly, they are using confidential data not available to renters. They're only available to one side of the market. They are then using that data to make mere recommendations. In other words, they're making forward-looking future predictions of what the best price will be from the landlord's perspective.

What do you think RealPage's main defense will be?

Their main defense is going to be that they are simply helping landlords do something that landlords could have done themselves, and if the landlords did it, it would all have been legal. That's a general point they will make. A closely related point is, they're going to say this isn't price fixing; this is just sharing of information. And as everybody knows who's taken freshman economics, information is good for markets, right? Competitive markets have to have good information or they don't work well. So we're really just doing this to have a vibrant, competitive marketplace.

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Based on the DOJ complaint and other reporting, do you think it's likely that RealPage helped drive up rents?

I think it's very likely. This isn't just a big conspiracy in that it involves a lot of units; they also have very substantial market penetration. Among landlords of a certain size, a very large percentage of them are using not just a product like this; they're using RealPage. The complaint contains a bunch of evidence that the landlords know who else in their market is using RealPage, and they call each other and ask. The reason that's so significant is, if you know that your three competitors are all using the same software that you use for any competitive purposes, then you know there's no real risk to you in raising your prices, right? So the idea that this isn't raising prices in real markets seems very unlikely to me. (omitted)...

If the DOJ wins this case, what does that change for digital pricing tools in general?

(omitted)... I have reason to believe that this particular technology has had a huge impact on consumer prices throughout the economy. If RealPage is found to have violated the law, it will at least have repercussions throughout the tech sector. This is a big tech product category, right? It's something antitrust watchers have been thinking about for a long time: When can an algorithm itself be illegal, and when is an algorithm effectively price fixing?

Digital pricing tools like those used by RealPage contribute to inflation and undermine market competition and fairness.

Write a response in which you discuss the extent to which you agree or disagree with this claim **AND** provide reasons and evidence to support your position.

You should write no less than 300 words, but no more than 1000 words. Your response will be evaluated for its overall quality based on how well you:

- Respond to the specific task instructions
- Consider the complexities of the issue
- Organize, develop, and express your ideas
- Support your ideas with relevant reasons and/or examples
- Control the elements of standard written English

Before beginning writing, you may want to think for a few minutes and then plan your response. **Use the bottom of this page to plan your response, and then write your response in the answer sheets (試卷內之「非選擇題作答區」)**. Be sure to develop your positions completely and organize it coherently, but spare some time to proof-read what you have written to make any revisions you deem necessary.

Plan Your Response Here. Write Your Essay in the Answer Sheets (試卷內之「非選擇題作答區」)

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