

**PREPARED STATEMENT OF
THE FEDERAL TRADE COMMISSION**

on

THE FTC AT 100: WHERE DO WE GO FROM HERE?

Before the

UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEE ON COMMERCE, MANUFACTURING, AND TRADE

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I. INTRODUCTION

Chairman Terry, Ranking Member Schakowsky, and Members of the Subcommittee, I am Edith Ramirez, Chairwoman of the Federal Trade Commission (“FTC” or “Commission”). I appreciate the opportunity to appear before you today with my fellow Commissioners to discuss the FTC’s work in its 100th

\$196 million to victims of deceptive or unfair practices and forwarded \$117 million in disgorgement of ill-gotten gains and civil penalties to the U.S. Treasury, following the successful prosecution of Commission cases and the resulting court-ordered judgments or settlements.

Much of the Commission's work today is driven by evolving technology and globalization and is different in many respects from the work the FTC engaged in a century ago. At the same time, many of the problems in the marketplace are fundamentally the same – consumer fraud schemes, deceptive advertising, and anticompetitive conduct – all of which the agency tackles through aggressive law enforcement. Our agency structure, research capacity,

There have been several important amendments to the FTC Act over the years. For example, the 1938 Wheeler-Lea Act amended Section 5 of the FTC Act to proscribe “unfair or deceptive acts or practices” as well as “unfair methods of competition.” It also provided authority to impose civil penalties for violations of Section 5 orders. In 1973, Congress broadened the FTC’s authority to allow it to seek preliminary and permanent injunctions in federal court. Two years later, Congress granted the Commission express authority to promulgate rules addressing unfair or deceptive acts or practices and to seek civil penalties for violations of those rules. Congress specified the procedures the Commission needed to follow to promulgate such rules, and further amended the agency’s rulemaking proceedings in the Federal Trade Commission Improvements Act of 1980.

Other changes include the 1976 Hart-Scott-Rodino (“HSR”) Act. The HSR Act imposed a statutory premerger notification requirement and waiting period before covered mergers could be consummated, which greatly expanded the agency’s ability to fashion effective relief in merger challenges. In addition, in 1994, Congress articulated what constitutes an “unfair” act or practice, adopting the Commission’s own definition that it is one that “causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.”⁴ Most recently, Congress amended the Act to permit greater cooperation and information sharing with foreign authorities in cross-border cases.⁵

Additionally, Congress has expanded the FTC’s responsibilities through a number of other statutes. For example, the Commission enforces an array of consumer credit laws,

⁴ 15 U.S.C. 45(n).

⁵ *See, e.g.*, 15 U.S.C. §§ 46(f), 46(j), 57b-2(b)(6).

including the Fair Credit Reporting Act and the Fair Debt Collection Practices Act, as well as laws addressing specific problems, such as the 1994 Telemarketing and Consumer Fraud and Abuse Prevention Act. The latter Act provided the basis for the FTC to establish the National Do Not Call Registry. We recently celebrated the Registry's 10th anniversary, and it continues to be one of the government's most popular programs because of its positive impact on hundreds of millions of Americans.

III. THE FTC TODAY

Today the FTC's mission is carried out by the equivalent of 1,176 full time staff located in Washington, DC and offices in seven regions around the country. Our fiscal year 2013 enacted budget, net of sequester, totaled \$296 million. The agency's law enforcement and policy work is carried out by the Bureaus of Consum

prosecuting false or deceptive health claims, and safeguarding children in the marketplace. For example, the Commission has: (1) stopped foreclosure rescue scams and deceptive payday lending practices; (2) taken aggressive enforcement actions to stop illegal robocalls and hosted a public challenge to find technological solutions to the problem; (3) held a public workshop and issued a report examining mobile payment systems; (4) prosecuted operations that placed

enforcers by sharing information with them and obtaining information on their behalf. The U.S. SAFE WEB Act allows law enforcers to achieve greater results together than they could working alone.

B. Competition

The FTC's efforts to maintain competition focus on stopping anticompetitive mergers and other anticompetitive business practices in a wide range of industries of critical importance to American consumers. These include health care, technology, energy, consumer goods and services, and manufacturing. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy. Vigorous competition results in lower prices, higher quality goods and services, and innovation leading to beneficial new products and services. As a part of its program to maintain competition, the FTC undertakes competition policy research and development activities to improve agency decision-making. In addition to enforcement, the FTC also promotes competition through advocacy and education initiatives. These initiatives deter anticompetitive mergers and business practices and reduce business' costs of compliance with antitrust laws. Advocacy encourages governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and ensure such policies promote consumer welfare.

In fiscal year 2013, the agency pursued 27 new competition law enforcement actions (merger and nonmerger) and undertook several important workshops, reports, and advocacy opportunities to promote competition and educate its stakeholders about the importance of competition to consumers. The FTC also continued to monitor and vigorously enforce compliance with consent orders as well as with merger and acquisition reporting obligations

Technology continues to evolve, as exemplified by the explosion in the use of mobile devices. The agency has and will continue to ensure that it has the appropriate information, tools, and staff to address new issues. The agency convenes public meetings, such as its recent workshop exploring the Internet of Things, to gather information from those at the cutting edge of technological advances. These meetings help the agency to identify the consumer protection and competition issues that may be raised by the use of new technology. The FTC also ensures that its staff has the tools to investigate fraud in the high-tech arena. For example, the FTC invested in new technology such as mobile devices spanning various platforms along with the software necessary to collect and preserve evidence, to respond to the growth of mobile commerce and conduct mobile-related investigations. Finally, the FTC hires employees and consultants with the technological expertise needed to support its high-tech work.

Increased globalization and an international marketplace also present challenges to the FTC's competition and consumer protection missions. The agency will seek to address these challenges through continued engagement with and support of foreign authorities and the many bilateral and multilateral organizations that address antitrust and consumer protection issues.

Finally, the Commission's regulations and guides serve an important public interest, protecting consumers from deceptive and unfair business practices, assisting businesses by identifying problematic practices, and creating a level playing field for legitimate businesses. In a rapidly changing marketplace, however, even effective regulations and industry guidance can become outdated, unnecessary, or unduly burdensome. Since 1992, the FTC has systematically and rigorously reviewed its rules and guides to ensure that they continue to enhance consumer welfare without imposing undue burdens on business. The Commission will continue to conduct these regular reviews and repeal or update its rules and guides as appropriate. The FTC also will

