May 20, 2016

TO: Members, Subcommittee on Commerce, Manufacturing, and Trade

FROM: Committee Majority Staff

RE: Hearing entitled "Legislative Hearing on 17 FTC Bills"

#### I. INTRODUCTION

On Tuesday, May 24, 2016, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Commerce, Manufacturing, and Trade will hold a hearing entitled "Legislative Hearing on 17 FTC Bills." The hearing will examine 17 bills and provide stakeholders the opportunity to offer input on how the proposals help the Federal Trade Commission (FTC) protect consumers, businesses, and innovation—as well as whether the bills provide transparency and improve FTC processes.

# II. WITNESSES

#### Panel 1

• Edith Ramirez, Chairwoman, Federal Trade Commission

#### Panel 2

- Joshua D. Wright, University Professor, Antonin Scalia Law School at George Mason University;
- Geoffrey Manne, Founder and Executive Director, International Center for Law and Economics;
- Daniel Castro, Vice President, Information Technology and Innovation Foundation;
- Abigail Slater, General Counsel, Internet Association;
- Michael Best, Senior Policy Advocate, Consumer Federation of America; and
- David Vladeck, Professor of Law, Georgetown Law

#### Panel 3

• Richard Hendrickson, President and CEO of Lifetime Products;

- Greg O'Shanick, President and Medical Director, Center for Neurorehabilitation Services;
- Stephen Shur, President, Travel Technology Association;
- Robert Arrington, President, National Funeral Directors Association;
- John Breyault, Vice President of Public Policy, Telecommunications and Fraud, National Consumers League;
- Gil Genn, Maryland Sports and Entertainment Industry Coalition; and
- Jamie Pena, Vice President, Revenue Strategy & Global Distribution, Omni Hotels & Resorts

#### III. BACKGROUND

# A. Process Reform and Transparency Legislation

The "Disrupter Series" of hearings held by this Subcommittee examined a number of novel technologies and business models, including unmanned aircraft systems (UAS), haring platforms, mobile payments, and the Internet of Things. As the hearings highlighted, these innovations pose novel policy questions related to consumer protection, but have also brought novel benefits to consumers that are still being accounted for and understood. For example, although UAS are already helping improve worker safety and reduce costs, the technologies continue to evolve and shape future uses. In turn, novel safety issues and consumer protection problems must be addressed.

The FTC's consumer protection mandate to enjoin "unfair or deceptive acts or practices in or affecting commerce" is a flexible framework that has allowed these technologies to progress without prior regulatory permission. However, the FTC settles most of its consumer

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 $<sup>^{1}\,\</sup>underline{\text{https://energycommerce.house.gov/hearings-and-votes/hearings/disrupter-series-fast-evolving-uses-and-economic-impacts-drones}$ 

<sup>&</sup>lt;sup>2</sup> https://energycommerce.house.gov/hearings-and-votes/hearings/disrupter-series-how-sharing-economy-creates-jobs-benefits-consumers-and

https://energycommerce.house.gov/hearings-and-votes/hearings/disrupter-series-mobile-payments

<sup>&</sup>lt;sup>4</sup> https://energycommerce.house.gov/hearings-and-votes/hearings/internet-things-exploring-next-technology-frontier

<sup>&</sup>lt;sup>5</sup> See The Disrupter Series: The Fast-Evolving Uses and Economic Impacts of Drones: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Commerce, Mfg., & Trade, 114th Cong. 3 (2015) (statement of Brian Wynne, President and CEO, Ass'n for Unmanned Vehicle Sys. Int'l (AUVSI)) available at <a href="http://docs.house.gov/meetings/IF/IF17/20151119/104207/HHRG-114-IF17-Wstate-WynneB-20151119.pdf">http://docs.house.gov/meetings/IF/IF17/20151119/104207/HHRG-114-IF17-Wstate-WynneB-20151119.pdf</a>.

<sup>6</sup> See

https://www.ntia.doc.gov/files/ntia/publications/voluntary\_best\_practices\_for\_uas\_privacy\_transparency\_and\_accountability.pdf

<sup>&</sup>lt;sup>7</sup> 15 U.S.C. § 45(a)(1).

protection cases, <sup>8</sup> especially in areas involving newer technologies such as data security. <sup>9</sup> Settling a high percentage of cases avoids costly litigation, but carries risks in terms of appropriate cost-benefit analysis and offering certainty to industry for investment and innovation. <sup>10</sup> These bills help ensure that the FTC's framework appropriately balances consumer protection with safeguarding innovations that may pose theoretical risks but have not led to concrete harm.

Eight of these bills make targeted amendments to the FTC's processes and help provide transparency as it carries out its consumer protection mission under Section 5 of the FTC Act. These bills are designed to help companies better predict their liability under Section 5 to facilitate and encourage innovative product and service development for consumers. For example, the Clarifying Legality and Enforcement Action Reasoning (CLEAR) Act would require the FTC to disclose its reasoning when it decides not to bring a case under Section 5. Another bill, the Start Taking Action on Lingering Liabilities (STALL) Act, would require the FTC to close investigations that have gone inactive for six months, unless the Commission votes to keep them open.

# B. Industry Specific Bills

These seven bills seek to address issues that pertain to specific industry sectors. For example, the Better Online Ticket Sales (BOTS) Act would prohibit the sale or use of software used to purchase bulk event tickets in a manner that circumvents the seller's defenses. Another bill, the Consumer Review Fairness Act, would prohibit sellers from restricting consumers' ability to give truthful reviews about products.

Some of the bills have Senate companions. The Senate Committee on Commerce, Science, and Transportation (Senate Commerce) reported the Reinforcing American Made Products Act, S. 1518, on March 7, 2016, by voice vote without amendment. The Consumer Review Freedom Act of 2015, S. 2044, was reported out of Senate Commerce as amended on December 8, 2015 by voice vote, and passed the full Senate with an amendment on December 14, 2015, by unanimous consent. The text of the Consumer Review Fairness Act of 2016, H.R. 5111, is identical to S. 2044 as it passed the Senate. The Youth Sports Concussion Act, S. 2508, was reported by Senate Commerce on April 27, 2016.

8 https://www.ftc.gov/enforcement/cases-proceedings

<sup>&</sup>lt;sup>9</sup> Out of 62 data security cases listed on the FTC's website, the only two defendants that have not settled are LabMD, Inc. and Wyndham Worldwide Corporation. *See https://www.ftc.gov/enforcement/cases-proceedings/terms/249*.

<sup>&</sup>lt;sup>10</sup> See Gerard Stegmaier & Wendell Bartnick, Essay: Psychics, Russian Roulette, and Data Security: The FTC's Hidden Data-Security Requirements, 20 GEO. MASON L. REV. 673, 693 (2013) ("It is unclear whether nonparties to the investigation should attempt to follow the complaint, the consent order, or both when complying with Section 5, or whether the failure to implement some or all of the measures would result in a prohibited unfair practice.").

# IV. SECTION-BY-SECTIONS

## A. Process Reform and Transparency Legislation

# 1. H.R. 5093, Technological Innovation through Modernizing Enforcement (TIME) Act

# Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Technological Innovation through Modernizing Enforcement Act" or the "TIME Act."

# Section 2. Time Limitation for Consent Orders

This section requires any consent order entered into by the Commission to include a termination clause that such consent order expire not later than eight years after it is entered into, unless the consent order relates to alleged fraud and the Commission determines that the order should last longer based on consideration of the impact on technological progress and risk of future violations of the order.

This section requires a review of any consent order five years after the date on which the order is entered into unless the consent order is related to alleged fraud outlined in this section, and allows entities to request such a review. If the consent order no longer serves its stated purposes, the Commission shall terminate the consent order.

# 2. H.R. 5118, the Solidifying Habitual and Institutional Explanations of Liability and Defenses Act

## Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Solidifying Habitual and Institutional Explanations of Liability and Defenses Act" or the "SHIELD Act."

### Section 2. Effects of Guidelines, General Statements of Policy, and Similar Guidance.

This section clarifies that in any enforcement action, the Commission shall prove a violation of a provision of law enforced by the Commission. The Commission may not base an enforcement action on, or execute a consent order based on, acts or practices that are alleged to be inconsistent with any guidelines, general statements of policy, or similar guidance issued by the Commission unless the acts or practices violate a provision of law enforced by the Commission. Such guidelines, general statements of policy, or similar guidance may be used as evidence of compliance with the provision under which they were issued. Nothing in this section confers authority upon or negates existing authority of the Commission to issue such materials.

## 3. H.R. 5109, Start Taking Action on Lingering Liabilities Act

### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Start Taking Action on Lingering Liabilities Act" or the "STALL Act."

# Section 2. Termination of Inactive Investigations.

This section requires the Commission to terminate a covered investigation at the end of a six-month period beginning on the date that a covered verifiable written communication is sent by the Commission, unless the Commission sends additional covered verifiable written communications or the Commission votes to extend the covered investigation.

# 4. H.R. 5136, Revealing Economic Conclusions for Suggestions (RECS) Act

### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Revealing Economic Conclusions for Suggestions Act" or the "RECS Act."

# Section 2. Requirement of Analysis and Rationale for Legislative and Regulatory Recommendations.

This section prohibits the FTC from submitting recommendations for legislative or regulatory action without an economic analysis by the Bureau of Economics sufficient to demonstrate that the FTC has identified a problem that cannot be addressed under current law and showing that the benefits of the recommended action outweigh its costs.

# 5. H.R. 5109, Clarifying Legality and Enforcement Action Reasoning (CLEAR) Act

### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Clarifying Legality and Enforcement Action Reasoning Act" or the "CLEAR Act."

# Section 2. Annual Reporting on the Status of Investigations.

This section requires the Commission to submit an annual report to Congress on investigations relating to unfair or deceptive acts or practices in or affecting commerce, including information on the number of investigations commenced, the number of investigations closed with no official agency action, the disposition of such closed investigations, and a description of

such closed investigations sufficient to indicate the legal analysis supporting the Commission's decision to close the investigation with privacy limitations for the entities investigated.

# 6. H.R. 5115, Statement on Unfairness Reinforcement and Emphasis Act

#### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Statement on Unfairness Reinforcement and Emphasis Act" or the "SURE Act."

#### Section 2. Unlawful Act or Practice.

This section states that an act or practice does not cause substantial injury to consumers if the injury or harm resulting from such act or practice is trivial or merely speculative. An injury may be sufficiently substantial if the injury does a small harm to a large number of people, and may be likely to cause substantial injury if it raises a significant risk of concrete harm.

This section requires that an act or practice is not unfair unless it is injurious in its net effects. To make this determination, the Commission shall consider the various costs for a remedy, the burdens on society in general in the form of increased paperwork, increased regulatory burdens on the flow of information, reduced incentives to innovation and capital formation, and other similar matters. The Commission may not second-guess the wisdom of particular consumer decisions, but may consider whether there is an obstacle to the free exercise of consumer decisionmaking.

### 7. H.R. 5116, Freeing Responsible and Effective Exchanges (FREE) Act

#### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Freeing Responsible and Effective Exchanges Act" or the "FREE Act."

# Section 2. Nonpublic Collaborative Discussions.

This section authorizes a bipartisan majority of FTC Commissioners to hold a non-public meeting as long as no votes or agency actions are taken at the meeting, each person present at the meeting is a Commissioner or employee of the Commission, and an attorney from the Office of General Counsel of the Commission is present at the meeting. This section also requires that the Commission publish a disclosure of the meeting on its Internet website within two business days of the meeting that includes a list of meeting attendees and a summary of the matters discussed at the meeting, except for matters that the Commission has determined are not in the public interest to disclose. This section includes a provision preserving open meeting requirements for agency action. This section also includes definitions for terms used in the bill.

# 8. H.R. 5098, FTC Robust Elderly Protections and Organizational Requirements to Track Scams (REPORTS) Act

## Section1. Short Title.

Section 1 provides that the Act may be cited as the "FTC Robust Elderly Protections and Organizational Requirements to Track Scams Act" or the "FTC REPORTS Act."

# Section 2. Annual Plan Required.

This section requires the FTC to publish and submit to Congress on December 1 of each year an annual plan for the next calendar year describing the projected activities of the Commission. The annual plan must include a description of the Commission's policy priorities, projected rulemakings, plans to develop guidelines, plans to restructure the Commission or establish or alter working groups, planned projects or initiatives, and any projected dates and timelines associated with those initiatives.

This section also requires the FTC to publish and submit to Congress an annual report on the Commission's enforcement actions involving allegations of elder fraud. The report is required to include a description of the Commission's enforcement actions, the disposition of those enforcement actions, and the proportion of enforcement actions involving elder fraud as a percentage of all enforcement action relating to unfair or deceptive acts or practices.

### 9. H.R. 5239, Protecting Consumers in Commerce Act of 2016

#### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Protecting Consumers in Commerce Act of 2016."

# Section 2. Authority of Federal Trade Commission over Certain Common Carriers.

This section removes a statutory provision that exempts "common carriers," as defined under the Communications Act of 1934, from the FTC Act's coverage.

10. H.R. 5255, to amend the Federal Trade Commission Act to permit the Federal Trade Commission to enforce such Act against certain tax-exempt organizations.

# Section 1. Authority of Federal Trade Commission Over Certain Tax-Exempt Organizations.

Section 1 provides that the section inserts a provision that subjects any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of Such code to the FTC's jurisdiction under the FTC Act.

## **B.** Industry Specific Legislation

## 1. H.R. 5092, Reinforcing American-Made Products Act

# Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Reinforcing American-Made Products Act."

<u>Section 2.</u> Exclusivity of Federal Authority to Regulate Labeling of Products Made in the United <u>States and Introduced in Interstate or Foreign Commerce.</u>

This section establishes that the provisions of the FTC Act that authorize the Commission to regulate the extent to which a product may be labeled "Made in the U.S.A" or "Made in America" supersede any corresponding provision of State law.

### 2. H.R. 5111, Consumer Review Fairness Act

### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Consumer Review Fairness Act of 2016."

#### Section 2. Consumer Review Protection.

This section voids form contract provisions if the provision prohibits or restricts an individual who is a party to the form contract to engage in a covered communication, imposes a penalty or fee against such an individual for engaging in covered communications, or requires the transfer of intellectual property rights in review or feedback content, but allows non-exclusive licenses in such content.

This section does not affect any duty of confidentiality imposed by law; any civil cause of action for defamation, libel, or slander, or similar cause of action; any party's right to remove or refuse to display on an Internet website or webpage controlled by such party that contains personal information or likeness of a person or is libelous, harassing, abusive, obscene, vulgar, sexually explicit, or inappropriate with respect to race, gender, sexuality, ethnicity, or other intrinsic characteristic; is unrelated to the goods or services available on such Internet website or webpage; or is clearly false or misleading. This section does not impact a party's right to establish terms and conditions for content creation by an employee or independent contractor of a commercial entity in certain circumstances.

This section shall not apply to a provision of a form contract that prohibits disclosure or submission of, or reserves the right of a person or business that hosts online consumer reviews or comments, to remove trade secrets or commercial or financial information considered privileged

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or confidential; personnel and medical files; records compiled for law enforcement purposes; unlawful content; and potentially damaging code, processes, programs, applications, or files.

This section outlines the enforcement responsibilities of the Federal Trade Commission, state attorneys general, and consumer protection officials. This section outlines venue and service of process requirements.

### 3. H.R. 5104, Better On-line Ticket Sales (BOTS) Act of 2016

# Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Better On-line Ticket Sales Act of 2016" or the "BOTS Act."

# <u>Section 2. Unfair and Deceptive Acts and Practices Relating to Use of Ticket Access Circumvention Software.</u>

This section makes it unlawful for any person to intentionally use or sell software to circumvent a security measure, access control system, or other control or measure on a ticket seller's Internet website. It also makes it unlawful for any person to sell any ticket that has knowingly been obtained by that person, or another, using circumvention software. This section sets forth that a violation of this Act will be treated as an unfair and deceptive act of practice under the FTC Act.

### Section 3. Civil Action.

This section authorizes any person who suffers injury as a result of another person's violation of this Act to bring a civil action against the person in a U.S. district court and recover damages for the injury.

### 4. H.R. 5212, Bereaved Consumer's Bill of Rights Act of 2016

#### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Bereaved Consumer's Bill of Rights Act of 2016."

# Section 2. Findings.

This section makes several findings regarding consumers' funeral costs, the FTC's Funeral Rule, and extant state laws regarding funeral consumers' protection.

# Section 3. FTC Rulemaking Relating to Unfair or Deceptive Acts or Practices in the Provision of Funeral Goods or Funeral Services.

This section requires the FTC to prescribe rules prohibiting unfair or deceptive acts or practices in the provision of funeral goods or funeral services, including: requiring that funeral providers furnish accurate price information; a prohibition on misrepresentations by such providers; a prohibition on conditioning provision of funeral goods or services upon the purchase of other funeral goods or services; requiring that presale disclosures state merchandise and services along with prices; requiring that contracts for funeral services or goods disclose clearly all fees and costs; requiring that cemeteries provide clear disclosures and explanations regarding cemetery services; and imposing certain record-keeping requirements on cemeteries.

The rulemaking in this section must be prescribed within one year after the enactment of the Act and may be undertaken using the procedures laid out in the Administrative Procedure Act. The rules required by the section shall apply to non-profit organizations except for certain religious organizations that are not owned by a for-profit entity, and shall apply to States or any political subdivision of a State.

### Section 4. Enforcement by States.

An attorney general or other authorized State official of any State may bring a civil action on behalf of such state's citizens for any violation of the rules in this section. A state must provide prior written notice to the Commission where feasible upon instituting an action. A state may not bring an action under this section against a defendant of a pending action under this section brought by the FTC.

### Section 5. Effect on Other Law.

This section provides that nothing in this Act or the rules it requires shall be construed to preempt any similar provision of any law of a state or political subdivision of that state.

# Section 6. Definitions.

This section defines several terms used in the Act.

5. H.R. 5245, Better Oversight of Secondary Sales and Accountability in Concert Ticketing Act (BOSS ACT) of 2016.

### Section 1. Short Title

Section 1 provides that the Act may be cited as the "Better Oversight of Secondary Sales and Accountability in Concert Ticketing Act of 2016."

### Section 2. Definitions.

This section defines terms used throughout the Act.

# Section 3. Rules on Transparency of Ticket marketing, Distribution, and Pricing by Primary Ticket Sellers.

This section requires the FTC to promulgate rules to regulate primary ticket seller activities, using Administrative Procedure Act rulemaking processes, within 180 days after the date of enactment of the legislation. Specifically, the rules require the FTC to include a requirement that primary ticket sellers disclose the total number of tickets offered 7 days in advance of sale; a requirement that primary ticket sellers disclose the number and distribution method of tickets not for sale to the general public 7 days in advance of sale; a requirement that the distribution method and date and time of primary sale be printed on a ticket; a requirement that the primary ticket seller make certain disclosures regarding all ancillary charges related to the purchase of a ticket; a requirement that a primary ticket seller include all ancillary charges in any refund of a ticket; a prohibition on restricting the resale of a ticket in a manner determined by the primary seller; and a requirement to provide a full refund to any consumer purchasing a nontransferable ticket if requested not later than 1 week prior to the event.

# Section 4. Rules for Secondary Ticket Sales Marketplaces.

This section requires the FTC to promulgate rules to regulate secondary ticket seller activities, using Administrative Procedure Act rulemaking procedures, within 180 days after the date of enactment of the legislation. Specifically, the rules require the FTC to include a requirement to make certain disclosures in cases where the secondary seller does not possess the ticket at the time of sale; a prohibition on the use of software to circumvent security measures on a primary ticket seller's website to ensure equitable consumer access to tickets; a prohibition on the sale of a ticket obtained using such circumvention software; a requirement to make certain disclosures at the time of sale, including precise seat or space information and the distribution method and face value of the ticket; a prohibition on making certain misleading representations as to the affiliation of the secondary seller with the primary seller or venue; a requirement to disclose that the secondary seller is a secondary seller of tickets, and a requirement that a user confirm having read such notice before transacting; a prohibition on the resale of a ticket by a person affiliated with a primary ticket seller or host if such ticket is sold or resold for a higher price than face value.

#### Section 5. Enforcement.

This section clarifies that a violation of a rule prescribed under sections 3 or 4 of the Act shall be treated as a violation of any FTC rule prescribed under section 18(a)(1)(B) of the FTC Act. State attorneys general may bring a civil action for violations of the rules prescribed under sections 3 or 4 that affect their respective residents. A state must serve written notice to the FTC 60 days prior to instituting any civil action under this section and the FTC may intervene the action. No state may bring an action against a defendant of a pending FTC action. This section also provides a private right of action, allowing any person suffering an injury as a result of a violation of a rule under section 3 or 4 to bring a civil action to recover damages for such injury plus \$1,000 for each specific violation.

## Section 6. Nonpreemption.

This section clarifies that nothing in the Act shall affect the authority of any state or local government to regulate the resale of tickets to the extent that such regulation is not inconsistent with the Act. A state law provision is not inconsistent with the Act if such provision provides equal or greater protection to consumers than the protection provided under the Act.

# Section 7. FTC Study of Ticket Market.

This section requires the FTC to study the ticket market to determine who is purchasing tickets from primary ticket sellers and how many are later resold; the impact on consumers of nontransferable tickets and whether all tickets should be required to be transferable; the extent to which automated ticketing-purchasing programs are used to purchase tickets or circumvent ticketing website safeguards.

### 6. H.R. 4526, Stop Online Booking Scams Act

### Section 1. Short Title.

Section 1 provides that the Act may be cited as the "Stop Online Booking Scams Act of 2016."

# Section 2. Protection from Deceptive Online Booking Practices.

This section amends the Restore Online Shoppers' Confidence Act to add an additional Congressional finding that a consumer should have the utmost clarity as to which company that consumer is transacting with online and that misappropriation by a third party seller of brand identity or trademark is harmful to consumers.

This section declares it unlawful for a third party online hotel reservation seller to charge or attempt to charge any consumer for any good or service unless clear and conspicuous disclosure is made as to all material terms of the transaction. Such terms must include the description of goods or services and the cost of the goods or services before the transaction, and in a manner that is continuously visible throughout the transaction process, the fact that the third party is a third party seller and is not affiliated with the person who owns the hotel or provides the hotel services or accommodations.

### Section 3. Study and Report.

This section requires the FTC to conduct a study on online hotel reservation shopping, including an assessment of the capacity of a consumer to understand which company such consumer is transacting with and the extent to which consumers are harmed by uncertainty as to which company such consumers are transacting with.

# 7. H.R. 4460, Youth Sports Concussion Act

### Section 1. Short Title

Section 1 provides that the Act may be cited as the "Youth Sports Concussion Act."

# Section 2. Findings and Sense of Congress.

This section makes findings that research reveals limited or no evidence that helmets and other sports safety equipment reduce the risk of sports-related concussions. The section also expresses the sense of Congress that the Consumer Product Safety Commission should review relevant research; that if protective equipment manufacturers adopt a safety standard, that it should include mechanisms to ensure substantial compliance; and that the FTC should review relevant research for any matter that may inform consumer protection efforts.

# Section 3. False or Misleading Claims with Respect to Athletic Sporting Activity Equipment.

This section declares it unlawful for a person to sell, or offer for sale, any item or equipment intended, designed, or offered for use by an individual engaged in any athletic sporting activity for which the seller or importer, or any person acting on behalf of the seller or importer, makes any deceptive claim with respect to the safety benefits of such item.

A violation of the prohibition in this section is treated as a violation of a rule under the FTC Act. The FTC may promulgate such regulations as the FTC considers necessary or appropriate, under the Administrative Procedure Act rulemaking procedures, to carry out this section. The attorney general or a consumer protection officer of a state may bring a civil action for any violation of this section or rules under this section, on behalf of the residents of such state. The FTC may intervene in any state action and a state must notify the FTC before taking such action. A state may not bring an action under this section against a defendant of a pending action under this section brought by the FTC.

#### V. ISSUES

The following issues may be examined at the hearing:

- With respect to the transparency and process reform legislation, do these bills help promote certainty for businesses to facilitate new products and services for consumers, while maintaining the FTC's robust consumer protection tools? How can the legislation be improved to better carry out these purposes?
- With respect to the industry specific legislation, do these bills address market failures in a manner that enables the FTC to proscribe harmful conduct while allowing beneficial market activity? How can the legislation be improved to better balance these aims?

# VI. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Paul Nagle or Graham Dufault of the Committee staff at (202) 225-2927.