

Committee on Energy and Commerce

**Opening Statement
of
Full Committee Ranking Member Greg Walden**

***“Oversight of the Federal Trade Commission: Strengthening Protections for Americans’
Privacy and Data Security”***

Tuesday, May 8, 2019

Remarks as Prepared for Delivery

Good morning. I want to thank Chairman Simons and Commissioners Phillips, Wilson, Chopra, and Slaughter for being here. I am glad to see the five of you here again after our productive conversation last summer before this subcommittee.

The Federal Trade Commission is tasked with broad and important responsibilities and its jurisdiction spreads out over almost every aspect of the U.S. economy – from large, household-named technology companies in Silicon Valley to small mom-and-pop shops in rural America.

But, recently, concerns surrounding data security and data privacy, including questions about what information is collected, how companies use that information, who that information is shared with, and what protections exist for consumers, have demanded more Congressional attention.

Last Congress, this Committee held high profile hearings around incidents involving data security and data privacy issues with the CEOs of Equifax, Facebook, and Twitter. We also held hearings focused on: securing consumer information; understanding algorithmic decision making; exploring the online advertisement ecosystem and how it operates; and an oversight hearing with you, the FTC.

Privacy was a premiere issue during these hearings. But as we learned, this is a tough issue; privacy does not mean the exact same thing to every American.

I want to echo the sentiments of my colleague Rep. Rodgers who outlined the vast benefits consumers get from the use of their information online. We cannot lose sight of the tremendous benefits consumers get from the use of data – access to top-tier journalism, affordable and quickly delivered products, telehealth and research initiatives, and much more.

Here in the U.S., we have a thriving startup ecosystem and a regulatory environment that enables small businesses to grow and compete, in no small part because of the free flow of information. And, as a result, companies innovate, create new jobs, and offer consumers options and convenience.

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I believe it is important that we work together toward a bipartisan federal privacy bill. And we are ready and willing to tackle crafting such a bill. I hope that we can continue down the bipartisan path together.

A federal privacy bill must set one national standard. Allowing a patchwork of state laws will not only hurt innovation and small businesses but will limit consumers options online. Consumers expect a seamless online experience, and I do not want to see that taken away.

We must protect innovation and small businesses. We should learn from Europe – where large companies are only getting larger and small companies are only getting smaller. JPMorgan Chase & Co. CEO Jamie Dimon recently said Dodd-Frank created a moat around his company – which is exactly what we risk doing with the likes of Google and Facebook if we do not carefully craft a national privacy bill.

We must enhance security for consumers. Companies must have reasonable practices in place to protect consumer information.

We must increase transparency – consumers deserve to know how their information is collected, used, and shared.

And we must improve accountability. When companies fail to keep their promises or outright misuse consumer information, those companies must be held accountable. This goes to the heart of the enforcement issues.

The FTC accomplishes its consumer protection mission through law enforcement – by bringing actions against companies who engage in unfair or deceptive acts or practices; through advocacy; and through consumer and business education efforts. The FTC can file injunctions, levy civil penalties, and can seek remedies on behalf of consumers to redress their harms.

The FTC generally operates as a highly effective bipartisan agency. Returning millions directly to consumers after they are defrauded, and I look forward to hearing an update on those efforts. I also look forward to hearing about the consumer protection hearings and what the agency has learned about privacy harms and risks.

Every agency has challenges, and recent court cases have changed the direction of some agency activity to refocus on due process. I am encouraged that these types of improvements would help small businesses understand their rights when faced with the full force of the FTC.

I believe the FTC is the right agency to enforce a new privacy law with appropriate safeguards and process improvements to ensure strong, consistent enforcement. Some have suggested that the quick answer is more money, more rulemaking authority, and more employees. There is no quick fix. I would like to hear from the Chairman about his views on unbounded rulemaking for the FTC, and whether the agency can compete for talent with the big tech firms moving to the DC area. We must consider market realities and ask if there is a more effective way to get experts to the FTC for unique cases.

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I look forward to hearing from you all about how you are thinking of using the current tools at the FTC to address privacy concerns in our digital world.

Thank you.

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