

## Draft GB Opening Statement – Federal Trade Commission FY25 Budget Hearing

Good morning, everyone, and welcome to the Subcommittee’s Budget Hearing for the Federal Trade Commission (FTC). Unlike last year, this hearing will feature the full slate of all 5 FTC Commissioners’ testimonies, and I want to welcome the two newest commissioners, Andrew Ferguson and Melissa Holyoak. Thank you both for serving and being here. I look forward to hearing how you plan to balance out the perspective and representation of the FTC as it protects consumers.

Unfortunately, up until this year, the Commission has lost its balanced approach. Since being confirmed over three years ago, Chair Khan has taken an aggressive stance towards the use of its authorities, leading to internal discord . Employee staff morale fell from 83% in 2020 down to 53% last year. I’m afraid it has lost its roots as a well-respected bipartisan law enforcement agency focused on protecting against bad actors. Despite restraints on statutory authority, the FTC has plowed forward out of bounds with sweeping new rulemakings, attempting to create policy in the process . Most notably the Commission’s “Commercial Surveillance and Data Security” Proposed Rulemaking is an overreach and raises significant legal concerns.

I was hopeful that today could be a new start, but I worry that releasing actions of the Commission less than two hours before this hearing commences is not a positive sign for transparency of the work you are engaged in. For instance, on pharmacy benefit managers, there is no way for either side of the dais here to analyze the interim report announced this morning, moreover have a broader view on whether this means the Biden Administration has failed to address this issue broadly at HHS.

Commissioner Holyoak said it best: “creating new law is the job of Congress, *not* the Federal Trade Commission.” Yet many of these proposed rules generously interpret existing statutory authorities in the broadest terms. This goes beyond the clear directives that Congress has provided. Chair Khan, I fear that your approach can cause severe damage to innovators who have become afraid of arbitrary and punitive actions by the FTC. These efforts, which erode public trust in the Commission, have not been successful in the courts.

I want to reiterate what I made very clear in last year’s budget hearing – the existing charge and mission of the FTC is too important and must be prioritized. Every day, scam artists take advantage of seniors, children, and other unsuspecting Americans, defrauding them of billions of dollars. I want to ensure that the Commission is effectively using its existing authority to go after and hold these bad actors accountable, protecting Americans from deception and fraud

Nonetheless, this Committee has been hard at work on a bipartisan basis to provide new proportionate authorities for the Commission, this includes the *Protecting Americans’ Data from Foreign Adversaries Act*, as well as other bipartisan efforts like the *Informing Consumers about Smart Devices Act*, the *No Hidden Fees on Extra Expenses for Stays Act*, and the *TICKET Act*.

We are actively working towards bipartisan agreements on the *American Privacy Rights Act* to ensure we are providing one national privacy standard and protecting Americans’ data from being manipulated and abused without their consent, and the *Kids Online Safety Act* to safeguard our children from the online harms of Big Tech. I assure you this Subcommittee will continue to work together to support and protect

consumers from harmful and deceptive practices. But in the process, you must regain our trust by ensuring any authority we provide will not be stretched and contorted to reach your desired result.

I implore the Chair to work with ALL of the Commissioners, protect consumers from the real bad actors, and be faithful stewards of the law.

I look forward to conducting this critical and necessary oversight and to hearing each of your testimonies. With that I thank the Commission for being here and yield back.