

Committee on Energy and Commerce
Opening Statement as prepared for delivery
of
Subcommittee on Innovation, Data, and Commerce Member Debbie Dingell

Innovation, Data, and Commerce Subcommittee Hearing on “The Fiscal Year 2025 Federal Trade Commission Budget”

July 9, 2024

I want to start by thanking Chair Khan and the other Commissioners for being here today. The Federal Trade Commission (FTC) fights unfair, deceptive, and anti-competitive conduct across the entire economy. Under Chair Khan’s leadership, it has taken on some of the largest companies in the world, including Amazon, Facebook, and Google on behalf of American consumers, workers, and small businesses.

Since Commissioners last testified before this Committee, the FTC has finalized a rule banning noncompete agreements, proposed a rule to ban junk fees economy-wide, and exposed collusion between some of the world’s largest oil and gas companies. It has also fought back against pharmaceutical companies’ illegal hold on drug patents, and ordered data brokers to stop selling Americans geolocation data. I want to commend the Commissioners and their staff for this incredible work, especially in the face of attacks from Republicans who would prefer to see the FTC hobbled and ineffective.

Republicans don’t like how the FTC fights to ensure a fair economy that will grow the middle class and protect consumers from corporate greed. Once again House Republicans are seeking to cut the legs out from under the FTC through extreme budget cuts. The Republicans’ fiscal year FY 2025 appropriations bill would slash the FTC’s budget by almost \$40 million. It would also prohibit the FTC from finalizing or enforcing rules like the Combating Auto Retail Scams (CARS) rule, which bans certain junk fees and material misrepresentations or omissions of key information that cost consumers when they are purchasing a car. The Commission has estimated this rule alone will save consumers \$3.4 billion and 72 million hours of time spent on car shopping each year.

In addition to repealing pro-consumer rules, the Republican budget cuts will hamper the FTC’s ongoing work to protect Americans from scams, privacy violations, and corporate greed. And Republicans want to go much further with Trump’s Project 2025 Plan, which will eliminate expert agencies, gut the Civil Service, and consolidate power under the President. This would have a devastating impact on the federal government’s ability to protect consumers in the future.

The FTC is facing coordinated attacks from Big Tech and Republicans in Congress. For example, an FTC investigation found that when Elon Musk took over Twitter, he directed employees to take actions that would violate a privacy and data security consent decree between the company and the FTC. The Republican response to that investigation was to attack Chair Khan and intimidate FTC staff in an attempt to protect X and its CEO. These attacks, however, have not stopped the FTC from fulfilling its mandate to protect consumers’ personal information and ensure companies are safeguarding Americans’ data.

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The FTC has also taken historic action against data brokers hiding in the shadows while collecting and selling Americans' geolocation data. It has also acted against large brick-and-mortar companies like Rite Aid, which used faulty facial recognition software to falsely identify people of color as shoplifters.

The FTC is also working to reduce the number of unwanted robocalls that afflict millions of Americans each year. Over the years, the FTC has filed 170 enforcement actions against more than 560 companies and 440 individuals alleged to have placed billions of unwanted robocalls. As a result, the Commission has collected nearly \$400 million in civil penalties and equitable monetary relief from these violations.

The FTC does all this work with fewer employees than it had 45 years ago, when the American economy was smaller and simpler. In addition to ensuring the FTC is properly staffed, we must restore the FTC's full legal authority that was struck down by conservatives on the Supreme Court. Last Congress, this Subcommittee led legislation that passed the House that would restore the FTC's authority to go to court to force scammers to return money to the consumers they harm. Unfortunately, that legislation never passed the Senate. We must continue to work to restore this authority. We must also work to ensure the FTC has the authority to independently seek civil penalties against rule and order violations.

Again, I want to commend Chair Khan, the other Commissioners and the staff of the FTC for the work they do each and every day to protect American consumers.

With that I yield back the balance of my time.