

Opening Statement for Subcommittee Chairman Gus Bilirakis
Subcommittee on Innovation, Data, and Commerce
Committee on Energy and Commerce
Subcommittee hearing on “Federal Trade Commission Practices: A
Discussion on Past versus Present”
September 19th, 2024

Good morning, everyone. Welcome to today’s hearing entitled “Federal Trade Commission Practices: A Discussion on Past versus Present.”

I want to thank the witnesses for your expertise and testimony this morning.

A couple months ago, our subcommittee welcomed the five Commissioners of the Federal Trade Commission (FTC) to examine the current state of the agency. The specific focus of that hearing being to examine how Chair Khan is using the budget that Congress has afforded the Commission to carry out its mission.

During that hearing, I spoke about the bipartisan concern of Chair Khan’s priorities, intended or not, which has torn down the historic norms, practices, and reputation of the FTC as a consumer protection agency. The precedents now being set matter, and what it means for the future of the trust with both consumers and business.

Over the last few years, we’ve seen staff morale plummet. Despite being an independent agency, career staff no longer have independence to participate in education events, which can be really helpful in how Americans learn about being protected from scams.

Staff hours and resources that could have been spent protecting seniors in my state and others from scams were shifted to press releases and expansive rulemakings and competition issues. Meanwhile, our constituents continue to be defrauded on a daily basis.

It just sends the wrong message when for decades, under both Republican and Democrat administrations, career experts were able to work with their economist counterparts to assess the cost and benefit of a proposal.

Instead sadly, that once commonplace approach was upended and powers consolidated under the Chair's general counsel office.

This kind of approach isolates the commissioners from their value and expertise within the agency, and further ups the ante on partisanship, rather than faithfully executing the law

The whole process gets corrupted this way, as too often left out of FTC proposals is important economic analysis and thorough stakeholder collaboration, and of course what impact may be had on the backbone of our economy otherwise known as legitimate businesses.

This shift of actively seeking civil penalties and sending warning letters to have the judicial standing to seek them is inappropriate and predatory, and must be abandoned. The FTC should seek to encourage compliance of their policies, not bank on enforcement.

We cannot allow this FTC to continue to ruin its prior reputation as the premier consumer protection agency for the country. Their task to protect consumers from fraud and scams is too important to dedicate resources on legal theories and gotcha schemes.

My words may be harsh, and I may be upsetting some of my colleagues, but every day my constituents are plagued from attempts to steal their hard-earned money from bad actors pretending to be a loved one in search of help, or a government agency warning of impending legal trouble that a 500 dollar gift card could appease. And in this economy, according to reports, Florida ranked third in most scams reported by residents: 1,393 per 100,000 residents.

This hearing serves to take a fresh eye to older reform proposals, to start thinking about new ones, and get the FTC back to its tried-and-true approaches and its essential consumer protection role.

Americans every day are getting ripped off.

I know each of us want the FTC to have the tools they need to go after these bad actors, and we must be responsible when legislating to prevent history from repeating itself from when much earlier iterations of the FTC tried to enact expansive rulemakings.

Let us use this discussion today to learn what we can be doing to reform the FTC and turn it back into an agency each of us, on both sides of the aisle, would be willing to go to bat for. With that I yield back.