

**-Opening Statement  
Chair Cathy McMorris Rodgers  
Subcommittee on Innovation, Data, and Commerce Hearing:  
“Federal Trade Commission Practices: A Discussion on Past  
Versus Present.”  
September 19, 2024**

**INTRO**

Thank you, Chair Bilirakis.

And thank you to our distinguished witnesses who are here today to discuss the current state of an agency we all want to be there for us if we've been defrauded or deceived.

The FTC's core mission is to be at the forefront of protecting Americans, making it critical that they earn and keep the public's trust and respect.

**DECADES OF BIPARTISANSHIP AND FOCUS**

I have been clear from the start of this Congress about my concern that the current FTC is heading in the wrong direction.

Prior to the Biden-Harris administration, the FTC always worked to build consensus and champion bipartisanship.

Certainly, there were differences of opinion—not every decision ended in a 5 to 0 vote.

However, at that time, commissioners and staff embraced a culture where they could freely exchange ideas and feel heard.

Those open and honest discussions allowed the FTC to act in the American people's best interest and garner the public's trust.

Disappointingly, this forty-year tradition and culture has been lost.

The FTC has long acted as a "cop-on-the beat," not as a sector specific regulator in the way the Food and Drug Administration is, for instance.

Unfortunately, the Commission has assumed more power and become a heavy-handed economy-wide regulator.

This change in direction has led to many contentious and expensive court battles.

I worry that the time spent in courtrooms...defending departures from past practices...is undermining the FTC's core mission and overall success.

I'm not alone in this view...the Supreme Court has concluded in unanimous decisions that the FTC's historically commonly used tools have been expanded to become controversial...and exceed their statutory authority.

## **FTC NORMS AND PRACTICES**

Most notably, we have seen a breakdown in norms and practices that were considered commonplace in previous Democratic and Republican administrations.

By removing QUOTE "without unduly burdening legitimate business activity" from its mission statement, the Commission has sent a clear message that it wants to be feared, instead of being a good-faith regulator.

Job creators across the country now live in fear of receiving a letter out of blue threatening them on behavior they may not even be engaged in.

Additionally, FTC Commissioners' rights have steadily eroded... and access to important FTC business has been more shielded than ever.

The Commission must take simple steps to start correcting course.

For example, a cost benefit analysis should be done for all rules, 6B reports, and enforcement actions... and commissioners and staff should have direct access to the economists working on it.

## **DANGEROUS BRIAN DRAIN**

I'm hopeful that with a full set of commissioners, such access to the Econ Bureau and its specialists will again be the norm.

Sadly, many career staff have chosen to leave or retire due to the decline of the agency's culture and disregard for its true mission.

Respected surveys have shown employee morale and confidence in senior Commission leadership has steeply declined.

Prior to Chair Khan's appointment to the FTC, 87 percent of surveyed FTC employees agreed that senior agency officials maintained high standards of honesty and integrity.

That number quickly dropped to 53% after just one year...then down to 47% a year later.

It is also alarming that full time positions that Congress authorized for the FTC's fraud prevention mission have been retasked to other areas.

This is wrong, and a clear attempt to bypass Congress and utilize the EU to impose more influence over U.S. companies since the Biden-Harris administration couldn't find consensus here at home.

## **CONCLUSION**

Congress needs to reassert its Article One authority and act to stop this ongoing erosion of norms and longstanding Commission practices...and restore the once strong processes of the FTC.

While we have proposed legislation in the past, some of it has quickly become dated. I look forward to hearing from the experts here today on what Congress can do to put the FTC back on track and set the Commission up for success.

I know we share these goals, and I hope we can work together to achieve them.

Thank you, I yield back.