

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

Hearing on “Federal Trade Commission Practices: A Discussion on Past Versus Present”

September 19, 2024

The Federal Trade Commission (FTC), under the leadership of Chair Lina Khan, has taken important and bold steps to protect Americans from deceptive and unfair acts and practices.

The FTC has consistently been a champion for everyday Americans, fighting against bad actors who seek to scam senior citizens out of their hard-earned life savings, take advantage of grieving families, and expose children’s data to foreign adversaries just to turn a profit from advertising.

The FTC has taken on Big Tech with actions against companies that put profits over consumers’ privacy and unlawfully shared sensitive, health, biometric, geolocation, and browsing data.

Today, the FTC is releasing a groundbreaking staff report that examines the data collection and use practices of major social media and video streaming services. It confirms what we all know, Big Tech is engaged in vast surveillance of consumers in order to monetize their personal information while failing to adequately protect users online, especially children.

Indeed, protecting children has been a particular focus of the Commission, bringing actions against companies like TikTok, Amazon, and Epic Games for violating children’s privacy and in some instances putting children in harm’s way.

The FTC is also using its tools to protect seniors and other consumers from abusive and illegal robocall and text scams. The Commission leads a task force with partners from all 50 states that has collected more than \$394 million in 2023 alone from scammers, much of which was returned to victims of those scams.

I also applaud the FTC’s antitrust work under Chair Khan, including its diligent attention to oil company mergers that could raise the prices everyday American families pay at the gas pump, and elsewhere.

As part of one of those investigations, the FTC uncovered evidence that a former Big Oil CEO had colluded with OPEC to limit crude oil production and increase prices on hardworking American families.

It's been over three months since I requested Chair Rodgers hold a hearing on these allegations and still there has been no action from the Republican majority.

Instead of investigating these outrageous allegations, Republicans are seeking to call into the question the excellent work of the FTC.

And, unfortunately, it's House Republicans who are undermining the FTC's ability to fulfill its mission – passing a 8.5 percent cut to the agency which would be nothing short of devastating. The FTC goes up against companies with billion-dollar budgets in an ever more complex and evolving economy, all with fewer employees than it had 45 years ago. A budget shortfall of this magnitude would gut the FTC at the expense of consumers.

In addition to resources, Congress must provide the FTC with additional strong statutory authority. It is critical that we enact a strong, comprehensive privacy legislation, such as the American Privacy Rights Act that I have worked on with Chair Rodgers. That bill gives the FTC the enforcement and rulemaking authority it needs to protect all Americans' privacy and data security.

It is also critical that we restore the FTC's authority to seek redress in federal court for consumers who have lost money to telemarketing scams, pyramid schemes, work from home fraud, and the other violations of the FTC Act.

The FTC does all it can to fulfill its mission with the tools it has been given, but without robust authority, it is working with one hand tied behind its back. That's not right. Vulnerable consumers who have been defrauded by scammers deserve an enforcer with a fulsome toolbox to protect them.

However, Committee Republicans would rather spend valuable time raising ridiculous claims about an agency that fights every day in the best interest of their constituents.

But this kind of anti-consumer behavior is not surprising, it's reflected in Trump's Project 2025, a blueprint for the future of the Republican Party, that would consolidate power in the White House, gut checks and balances, and eliminate the independence of federal agencies like the FTC. Trump's Project 2025 threatens to eradicate the FTC all together, making it clear that Republicans stand on the side of scammers and unregulated corporate greed, not everyday Americans.

That's the wrong approach. House Democrats are committed to defending American consumers from the extremist Republican agenda in Trump's Project 2025. That includes fighting for a strong and well-funded FTC equipped with the authority it needs to protect Americans from scammers and bad actors.

And with that I yield back the balance of my time.

