



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

**Prepared Remarks of Chairman Joseph J. Simons<sup>1</sup>  
Hearing on “Federal Trade Commission: Protecting Consumers  
and Fostering Competition in the 21st Century”  
Committee on Appropriations  
Subcommittee on Financial Services and General Government  
September 25, 2019**

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Chairman Quigley, Ranking Member Graves, and members of the Subcommittee, I am pleased to appear before you today to testify about the Commission’s work and funding request, particularly alongside my colleague, Commissioner Chopra.

The FTC is a highly effective independent agency with a broad mission: to protect consumers and maintain competition in most sectors of the economy. On the consumer protection side, we are aggressively pursuing law enforcement on privacy and data security matters, including record-breaking settlements with Facebook,<sup>2</sup> Google and YouTube,<sup>3</sup> and Equifax.<sup>4</sup> We have mainly used a 100-year-old statute—Section 5 of the FTC Act—to bring our privacy and data security actions, but our authority under Section 5 is limited.<sup>5</sup> These

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<sup>1</sup> These remarks reflect my own views. They do not necessarily reflect the views of the Commission or any other individual Commissioner.

<sup>2</sup> FTC Press Release, *FTC Imposes \$5 Billion Penalty and Sweeping New Privacy Restrictions on Facebook* (July 24, 2019), <https://www.ftc.gov/news-events/press-releases/2019/07/ftc-imposes-5-billion-penalty-sweeping-new-privacy-restrictions>.

<sup>3</sup> FTC Press Release, *Google and YouTube Will Pay Record \$170 Million for Alleged Violations of Children’s Privacy Law* (Sept. 4, 2019), <https://www.ftc.gov/news-events/press-releases/2019/09/google-youtube-will-pay-record-170-million-alleged-violations>.

<sup>4</sup> See FTC Press Release, *Equifax to Pay \$575 Million as Part of Settlement with FTC, CFPB, and States Related to 2017 Data Breach* (July 22, 2019), <https://www.ftc.gov/news-events/press-releases/2019/07/equifax-pay-575-million-part-settlement-ftc-cfpb-states-related>.

<sup>5</sup> 15 U.S.C. § 45. For example, Section 5 does not allow the Commission to seek civil penalties for first-time privacy violations.

limitations have a critical effect on our ability to protect consumers, which is why we urge Congress to enact privacy and data security legislation, enforceable by the FTC, which grants the agency civil penalty authority, targeted APA rulemaking authority, and jurisdiction over non-profits and common carriers. In addition to privacy and data security cases, we continue to bring a broad range of enforcement actions addressing, among other issues, fraud against older adults, servicemembers, and other diverse and underserved communities.<sup>6</sup>

On the competition side, enforcement actions in the pharmaceutical sector continue to be a priority for us. Cases like our “pay for delay” matters protect generic competition, which helps keep drug prices down.<sup>7</sup> To address concerns about the power of “Big Tech,” we created the Technology Task Force within our Bureau of Competition to concentrate our expertise and better monitor and investigate conduct by technology platforms.<sup>8</sup>

I want to thank this Subcommittee for the additional \$40 million for the FTC that is in the House FY2020 Financial Services and General Government appropriations bill. I assure you we will make good use of additional funding. Although \$40 million is a very substantial amount, more than half of it might be needed to cover mandatory compensation increases, step increases, and non-compensation costs related to our agency operations—such as our Consumer Sentinel Services contract, our litigation support service, and additional expert witness fees. The remaining portion would likely be used for adding personnel (in the neighborhood of 90 FTE),

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<sup>6</sup> See, e.g., FTC Press Release, *FTC Halts Tech Support Scam as Part of Major Initiative Focused on Older Adults Hit Hardest by These Scams* (Mar. 7, 2019), <https://www.ftc.gov/news-events/press-releases/2019/03/ftc-halts-tech-support-scam-part-major-initiative-focused-older>; FTC Press Release, *American Immigration Center Settles with FTC on Government Imposter Allegations* (Oct. 16, 2018), <https://www.ftc.gov/news-events/press-releases/2018/10/american-immigration-center-settles-ftc-government-imposter>; FTC Press Release, *FTC Takes Action against the Operators of Copycat Military Websites* (Sept. 6, 2018), <https://www.ftc.gov/news-events/press-releases/2018/09/ftc-takes-action-against-operators-copycat-military-websites>.

<sup>7</sup> See, e.g., FTC Press Release, *FTC Concludes that Impax Entered Into Illegal Pay-for-Delay Agreement* (March 25, 2019), <https://www.ftc.gov/news-events/press-releases/2019/03/ftc-concludes-impax-entered-illegal-pay-delay-agreement>.

<sup>8</sup> FTC Press Release, *FTC’s Bureau of Competition Launches Task Force to Monitor Technology Markets* (Feb. 26, 2019), <https://www.ftc.gov/news-events/press-releases/2019/02/ftcs-bureau-competition-launches-task-force-monitor-technology>.

although the manner in which we add personnel would have to factor in the probability of the funding continuing in the future. We would focus new staff additions to priority areas such as supplementing our privacy and enforcement divisions; hiring more technologists; doubling the size of our Technology Task Force; and hiring more economists.

Finally, but significantly, while principled differences among Commissioners may occasionally lead to split decisions, and some high profile ones at that, the FTC predominantly works in a bipartisan fashion, and we will continue to do so. We are committed to using every resource to effectively protect consumers and promote competition. We look forward to continuing to work with the Subcommittee and Congress, and I am happy to answer your questions.