

Statement of Chairwoman Edith Ramirez
“The FTC at 100: Where Do We Go From Here?”
Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade
U.S. House of Representatives
Washington, DC
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Chairman Terry, Ranking Member Schakowsky, and Members of the Subcommittee, thank you for inviting us to testify regarding the Federal Trade Commission’s work as we approach our 100th year. We appreciate this opportunity to discuss the FTC’s unique dual and complementary role in promoting competition and protecting consumers.

The FTC has a tradition of working at the forefront of the most important emerging issues of the day. We do so using a mix of law enforcement, advocacy, research, and business and consumer education. Changes to the marketplace, like rapid technological innovation and globalization, drive much of our work. However, over the last century, our goals have remained fundamentally the same: to prevent fraud and deception, ensure that companies keep their promises to consumers, and remove barriers to competition – all of which promote an even playing field that allows law-abiding businesses to flourish.

With a staff of approximately 1,200 and a FY 2013 budget of \$296 million, the FTC has delivered results that belie its modest size. Over the last three years, we have returned over \$196 million to victims of deceptive and unfair conduct and delivered an additional \$117 million in civil penalties and ill-gotten gains to the U.S. Treasury. We have also saved consumers approximately \$3 billion in estimated economic injury by stopping anticompetitive practices and mergers.

I. Consumer Protection

The hallmark of the FTC's consumer protection work is anticipating and tackling new marketplace issues and problems. In the 1960s, we were the first federal agency to act on the health threat created by cigarettes – forcing manufacturers to implement health warnings in their advertising. In the 1980s and 90s, we used our congressional authority to launch a law enforcement program which continues today – obtaining federal court restraining orders, consumer redress, and permanent prohibitions against thousands of consumer deception schemes. And, in the early 2000s, the agency took action against unwanted telemarketing calls by implementing the Do Not Call Registry, which kicked off our role as an early protector of consumers' privacy both offline and online.

The FTC continues to combat scams most familiar to consumers – such as harassing telemarketers, sham weight-loss cures, and fraudulent business opportunities – and newer harms associated with emerging technologies and business practices.

II. Competition

As in our consumer protection efforts, we have a long history of promoting competition in the marketplace, using enforcement, advocacy, and research. We have issued the influential horizontal merger guidelines along with the Department of Justice, advanced merger and monopolization law with many important victories in crucial cases, and released reports that have helped shape competition policy and enforcement in critical areas to consumers and the economy, such as technology and healthcare.

In more recent years, we have turned our attention to those emerging activities that pose the greatest threat to vigorous competition. For example, we have worked to stop drug companies from stifling the entry of generic drugs by entering into “pay-for-delay” agreements,

including obtaining a significant victory for consumers at the Supreme Court last term in *Actavis*. We have fought against anticompetitive healthcare provider consolidation that threatens higher costs without better care, and, in doing, so we achieved another important victory in the Supreme Court last term in the *Phoebe Putney* case, clarifying the scope of the state action doctrine. And we have acted to protect competition and innovation in the technology sector.

In FY 2013, we brought 27 new competition cases, and continued to enforce compliance with our existing orders and obligations under the Hart-Scott-Rodino Act.

Beyond our law enforcement, we promote competition and educate stakeholders with workshops, reports, and advocacy. For example, our staff recently submitted comments to the District of Columbia Taxicab Commission cautioning that rules it has proposed may restrict consumers from using new smartphone software applications to hail cabs.

And, as business has increasingly become global, the FTC has coordinated closely with international counterparts in both our enforcement and policy efforts.

III. Conclusion

The Commission has benefited from a culture of bipartisanship, collegiality, and consensus in our decision-making that yields a balanced and consistent approach to our work. And we are fortunate to have a truly expert and dedicated staff – one that, despite being asked to do more with fewer resources, has consistently rated the FTC as among the top agencies to work for. Given this rich reservoir of talent, commitment, and energy, we are confident that we can meet the challenges of our second century.

With that background, it is my pleasure to introduce my fellow Commissioners:

- First, Julie Brill, who will be providing more details on some of the Commission's current priorities, including our efforts to stop scams targeting financially distressed

consumers, protect privacy and data security, and address anticompetitive conduct in the healthcare industry;

- Second, Maureen Ohlhausen, who will describe the FTC's efforts to address and adapt to external changes and challenges, including technological advances, evolving markets, and globalization; and
- Finally, Josh Wright, who will discuss our unique research capacity, the expertise of our Bureau of Economics, and our ongoing efforts to review and update our rules and guides.

Thank you.