



FTC Open Commission Meeting: July 20, 2023

Good morning, everybody. Thanks so much for joining us. This meeting will come to order and we're meeting in open session today to consider a couple of items. As usual we will start by hearing from members of the public, so I will turn it over to Doug Farrar from our office of public affairs to walk us through that part of the meeting.

Thank you, Chair Khan. My name is Doug and I'm the director of public affairs here at the Federal Trade Commission. All of us at the FTC are looking forward to hearing from the public today. Please know we are recording the event, and some of it may be available to record in accordance to commission rules. I will call on several members of the public who will be given 2 minutes to address the commission.

Let's begin with Loretta bossing. [>>] Thank you I support the FTC -- instruction is safe access for medications for patients like my son. I have repetition with 220,000 supporters to stop the-- my son is a transplant survivors who received the gift of life from My 3 year old girl, whose families didn't give this gift of life to be forced to risk it for PDM's profit.

PBM pharmacies ignore the-- like transplant meds come has forced us to swap our pharmaceutical care for a flimsy bag Hotmail bag-- the trucks reach 170 degrees, meds are left sitting in hot sun without -- this abuse and neglect and fraud. I push for regulation, but public interest has pushed for-- from ensuring this pharmaceutical care and safety. Oklahoma is the first to stand up for patients, but that is not the norm.

The conflicts of interest have devastating effects on the board's ability to properly regulate safe temperature storage, delays and even safe staffing. After uncovering PBM from my son's--

I saw what PBMs we're doing 2 competitors. In just two days, I found six independent pharmacies closed within 24 hours. Many are now pharmacy deserts and we'll have to drive over 60 miles to get meds. Most closure sighted PBMs low cost reimbursement, we need an intervention now. To save intervention-- while the FTC investigation is continuing. We cannot let another pharmacy close in the US from these abuses,-- and forcing to their own pharmacies. On behalf of patients and communities across our nation, I call for emergent immediate action and protection. Thank you, FTC. [>>] Thank you very much, Loretta.

The next speaker is Melton bell. Thank you for the federal trade commission giving [>>] me an opportunity to submit the following concerns. As a consumer, registered voter, deeply affected by the-- 2001 attacks, I was encouraged by Barack Obama's victory that I was felt that it was necessary to report, one of my former employers-- either the federal bureau of investigation tip service, for our first black commander chief was even sworn in. Over the years come I celebrated our achievements-- excuse me

just for a second. Greatly disturbed by the declining of our reunions since at least August 2011, that contributes to an 80 plus kill ratio before the bounty is paid.

That bounty initially affected the American heroes are responsible for the United states casualties, resulting in arcada leaders death. Would they decay and distraction getting more transparent and personal, I command the office and budget, as well as its interagency, 2023 supporters policy policy-- April 2023 contributions to join others dedicated to the change. We can believe in from here to In 1008. closing, please know you are viewing this comment, you are reading this comment, viewing this comment, reading the links concerned with associated documents and especially acting accordingly, I really appreciate it. [DOUGLAS] Thank you very much, Melton.

The next speaker is Chris Hobart. [>>] Thanks, Doug. I'm going to be real quick. I used to work at an independent pharmacy that had been in the community for over 50 years. And due to PBM action against that pharmacy using unfair audit practices, it closed its stores. One of those audits was for \$5000, or two prescriptions. Reasoning was that they did not like the patient's signature. Just as a small business, if You have to-- I don't think my cars Kelley blue book is for that. You have to put a for sale sign in your car and walk home just because the PBM doesn't like it patient signature.

I feel that's unfair. I don't think it's anticompetitive. Thank you for having this meeting. [DOUGLAS] Thank you, Chris. The next speaker will be Randy chain. Randy. And the are you there there? [>>] Good morning, my name is brandy Jane. The pharmacy was found in 1982, and like other independent pharmacies across the nation, which stated business because we have a passion for and commitment to our local community. Independent pharmacy owners have long deprived the anticompetitive tactics used by PBMs and lobbyists like pcma, I would have you believe without them patients would pay more. This is simply not true.

I see examples daily that PBMs cost the American people hundreds upon thousands of dollars more each year. When I can dispense the medication in a cash prize much cheaper than a patients copay is required, we have to ask ourselves, how are PBMs helping? And the FTC should be saying how is this giving patients money? We see propaganda from easy to make, but no proof. They simply move money from one pocket to the other, and PBM's stakeholders landed in the 500 companies while customers struggle to afford medications. The answer is clear. If a person pays a \$20 copay and a PBM contributes nothing to that transaction and then comes back and takes that money from the pharmacy in the form of ADR fee, which is the very definition of a junk fee, the patient is double dipped and paying a higher premium.

Independent pharmacies are closing daily, and six independents closed their doors. All side closures are due to PBM junk fees. Unchecked antitrust and anticompetitive behaviors have allowed these massive anomalies to drive out community pharmacies pharmacies that so many Americans depend on. I encourage you to demand these bad actors proof where all of this money is going, because it's certainly not going to patients or pharmacies. I fear that my pharmacy might be the next PBM make them. Thank you for your time. [DOUGLAS] Thank you, brandy. The next speaker is Aaron Soto. [>>] I am bearing soco, in the long term server at the FTC.

Last year FTC's -- asked Cohen to recuse herself from a-- refused, she something no commissioner had done before. They'd offered her her that participation was not a per se federal ethics violation, but that's not really the issue. Last week's oversight hearing, chair Khan-- said-- for employees her decisions. List two misses the point. The real issue is the constitutions of due process. In America, every defendant has

a right to an impartial tribunal.-- may conclude that an agency has in some measure a judge a particular case in advanced securing it, then its reputation for objectivity and impartiality is open to challenge. Such prejudgment led courts to disqualify FTC chair Paul Rand Dixon three times in the following avoiding decade, lawsuits he brought. Chair Dixon had investigated and developed many of the same facts that of underpayment and administrative suits he brought his chair. Chair Cohen has proudly said that -- and the the publication public of report. That report prejudged many key aspects of potential suits against tech companies. Both chairs preceded their comments publicly. Main transit commissioner in making it difficult, if not impossible for them to reach a different conclusion after consideration of the record. Thus concluded the 6th circuit, whether there may be a reasonable suspicion of awareness, who's--

participating from as an adjudicator. Such a commissioner may yet be able to vote to bring the suit directly in federal court. When the commissioner access prosecutor, the potential judgment doesn't raise the same constitutional problems as when they sit as judge and jury. If chair Khan insist in the administrative trial process where there may be reasonable-- she may find that she has expended years of staff time and effort. I want you to have a court avoid the entire lawsuit. That is the real issue here. [DOUGLAS] Always a pleasure to have you come up baron. Thank you.

Thank you very much. Andy, from tech freedom. [>>] Amanda young, a legal fellow at tech freedom. Last year the commission released a report on so-called dark patterns designed as dark patterns to trick and manipulate consumers to buy products or giving up their privacy. This includes contact like native bank of advisement and junk fees. Former commissioner responded. I just don't think the term dark pattern is very helpful. It fails and helping businesses and consumers identify those practices that are This illegal. warning was president. Implicit distinction between area practices and fraud found at the core of the FTC act.

A recent complaint, the commission accuses Amazon of using dark patterns by streamlining the enrollment process and complicating the cancellation process of prime subscriptions the FTC might show that Amazon's these are not fair or might show that it's not.-- weighing the pros and benefits that fall into this reason of normal business activities. Under section 19, where practices won with reasonable man -- was dishonest so fragile and, the FTC may obtain monetary relief. The FTC released the complaint against lumen, which operates robocall lead generation websites. The complaint alleges that fluid uses dark patterns to seek consumers personal information reportedly through a-- to send consumers a reward or to help consumers apply for a job. That promised rewards usually do not exist. Lumen themselves has collected data to call centers which-- you have to see accuses both Amazon and fluent of using dark patterns, but these are very different cases. It complicated cancellation workflow is categorically different from deceiving consumers into sharing personal information and sending them harmful spam.-- the love together legitimate activities with fraud. As a commissioner explained, calling conduct a dark pattern. It's not a replacement of the legal and factual analysis required to show that it practices deceptive or Thank unfair.

you so much for your time. [DOUGLAS] Thank you for my Andy. The next speaker is Monique Whitney. Monique are you there? [>>] I'm here. On behalf of our independent pharmacies, we support the federal trade submission withdrawing previous FCC commissions opposing transparency.-- PBMs.-- scrutiny of the PBM industry has intensified. At this time, more than 30 bills have been introduced in Congress each with an eye towards raging in PBM overreach. To safe pace, PBMs the lobby are now crying digital and

traditional media channels with all outdated and misleading information including these previous FTC materials that are at the heart of today's meeting.

This bad faith acting has confused and making it impossible for everyday people to be able to sort truth from lies. By eliminating access to the materials, the FTC is acting in the interest of consumers, employers, taxpayers and providers who cannot act in their own interest. are fed Patients up with high prices at the pharmacy counter and the public is weary of watching pharmacy deserts emerge everywhere from Chicago IL, where the term pharmacy desert where first coined, all the way into the smallest communities like black canyon Arizona. As long as PBMs fall back on our data studies to confuse the issue, they will continue to reach record breaking profits like those announced by united health groups PBM by the second quarter of 2023.

Meanwhile, our most vulnerable patients are priced out of life saving medicine or left without access to the local map pharmacist. Thank you for your important work on this We ask issue. you to vote in favor of the outdated FTC materials for PBM advocacy [DOUGLAS] Thank you so much for your time. Next speaker is Carol McClure. Carol, hold on one second. There you go. [>>] Thank you I'm in a deep investigation as everyone else's. I did want to ask I had previously sent 2 questions to the FTC for the website. I was wondering if you had them, and will you discuss them or will I bring them up again?

[DOUGLAS] Their income. And this is not a forum for asking questions, but for comments. If you would have a question, email to to-- right ahead. You have a minute, minute and 30 seconds. [>>] As far as false advertising in the fair packaging labeling act, I have been noticing a lot with women's cosmetics, which is a multi billion dollar organization. A lot of the front-- on the front. It says sold with retinal, but under the ingredients, under inactive ingredients, retinal ice listed as As the 23rd ingredient, and that might be misleading the consumer. Thank you [DOUGLAS] Thank you very much, Carol.

The next speaker is Benjamin jolly. [>>] Hi. Commissioners, I thank you for the work you've been doing regarding pharmacy benefit managers. Just last night my friend, the so-called COVID superman in Pennsylvania received the results of an audit by-- they found no discrepancies with this Billings. except they decided to recoup \$30,000 for COVID vaccines on the basis of his regular business being closed on Sundays, and the pharmacy had performed multiple outside vaccinations on Sunday. He accurately submitted a data survey on the day that it was a Sunday. This is a grasping of dollars attempt to steal the money that my colleague rightfully and justly earned for his commendable efforts in vaccinating his community.

Nowhere in this standard terms and conditions come nor where they're providers is there any-- to only provide in which the pharmacies open for regular services. Such a policy would be extremely ill advised as my pharmacies patients, for example, regularly. But infrequently do require their medications, where pharmacies closed. So I will personally go a few blocks down the road, open the pharmacy and provide for services on an emergency basis.-- operates in limited hours. But provides emergency services for their patients. This type of behavior and audits of finding some justification to take the money, take money, and then justify it later is all too common by and the harms department is relatively small.--

PBMs. The rising action. The benefits of PBMs--- return policies are relatively substantial. PBM worked to take \$400.00 from every network pharmacy in the course of a year, because they administered several vaccines during an off site clinic on a Sunday, Sunday the PBM recouped \$24 million. I urge you and your staff staff to expedite the PBM study and take appropriate actions to ensure that our trading partners and pharmacies no longer exist in the state of unrelatable regulatory where essential -- and petty losses of

revenue make financial middleman. Thank you Thank [DOUGLAS] you, Benjamin? The next speaker is Steve Moore.

[>>] Thank you very much, Doug, on and fellow commissioners. I'm a pharmacy owner from New York. I want to thank you all for your efforts on behalf of consumers and holding panels like this one. I truly appreciate the communication and transparency. As far as today's specific agenda is concerned, I would like to wholeheartedly encourage the commission to vote in favor of the idea that prior advocacy statements and studies related to PBMs no longer reflect market realities. After all, these groups don't call themselves PBMs anymore.. My experience, these continue to-- are causing harm to our profession and more importantly, to our patients.

As far as the negative impact on pharmacy concerns, we're hearing throughout the industry that contracts taking effect in 2024 are even more predatory, and we have industry- community pharmacy. Close as a result. These companies have an inability to manage their own contracts, their own terms, resulting in unpredictable and often underwater reimbursements for pharmacies at the point of sale, which in turn causes issues that can take up to 18 months to fix and ultimately, rectify. competitors should not be able to determine what their competitors are being paid. PBMs continue to restrict patients to pharmacy networks when they can't even staff beyond their own pharmacies that they are running.

They use day to drive our med patients in catastrophic coverage on a quicker basis. Prices are not decreasing, or even stabilizing for that matter, but corporate profits continue to climb. I think it's clear whose interests are being served. I've encouraged the FTC to look to New York and the example of the Medicaid program. We're 3 1/2 months now into a rapid PBMS for the Medicare -- half a billion dollars each year are going to be shifted to patient care instead of corporate profits. I asked that the commission continued to treat this issue with the most urgency, and I'm looking forward to the results of this study of PBMs once again, thank you for your Always efforts.

available for questions and comments. [DOUGLAS] Thank you very much, Steve. The next speaker is Luke Slinky. As [>>] a second generation Minnesota pharmacist, I implore the FTC to continue all investigations into PBM's and use all legal options to reign in the PBM monopoly that has trampled patients, pharmacists and entire communities. Consider PBM's role in increasing pharmacy access in rural areas in less affluent rural areas in the creation of pharmacy deserts. For over a century, my hometown of Minnesota at a locally owned pharmacy. Decades of anti competitive conduct of PBMs finally closed it for good in May of 2022.

Inspired inspired closures across America, and the results are unsettling. Minnesota there are 32 small seat -- but they have none. This crisis is ongoing. Just this week, two cities, Darrington WA and Fort Thomas KY, each lost their only remaining pharmacy, leaving residents high and dry. I think commissioner Bedoya for his attention to rural areas and independent pharmacies and how we have been decimated by price discrimination allowed by the lack of enforcement of the Robinson-Patman Act. Thank you. you for seeing us. I they're hope revised Robinson-Patman Act will remove the choke on small businesses and re irrigate the food, pharmacy and other deserts of monopolized markets have created.

Outland with recent anecdote anecdote. Despite my clear misgivings, my employer-- for our prescription insurance, we're going to like 10th and 11th, our millions national -- stranding of patients without coverage and causing mass disruption in pharmacies across the country. CVS Caremark S dominance ensured that my only recourse was to drop off donuts to my local independent pharmacy and offer my sympathy to

to place the my staff. hopes And in the hands of the FTC. So that you all may hold PBMs accountable for all of the unnecessary suffering they have caused. [>>] Thank you very much, Luke.

The next speaker is David Humphrey. [>>] . Khan, Doug, everyone, thank you for the opportunity to speak as a franchisee in support of the franchise business model. And again, any new regulation that would fundamentally change the franchise model. For the past Nine years, I have been a franchisee in the planet fitness gym system. Prior to that, I will say franchise or serving as CEO of the from 2008 2011. I have a balanced view of franchising from both sides. As a franchisee, my team have a great degree of operational control in our business. We build our facilities, we hire, train, supervise our-- we market and sell to our customers come up but we act within brand standards, established by our franchise or, and having strong standards is absolutely in our interest as franchisees to protect the equity. We have built from being devalued by noncompliant franchisees. Of new regulation prevents franchisors from acquiring all of their franchisees to periodically spend money, to launch new products or services, we will fall behind our non franchise competitors. Herding every franchisee. Of regulation prevents brands from regularly investing to keep their facilities fresh and updated, the image of the entire chain will suffer. Hurting hurting every franchisee.

What could help franchisees as the commission to update and strengthen disclosure requirements. Prospective franchisees considering investing in a system know exactly what they're buying into. And please examine the increasing and largely unregulated rule brokers and other third party sellers. Now play in the franchise sales process. On may 7th I submitted written comments that expand on my brief remarks today, and I would greatly appreciate you reading them. Thank you for protecting the franchise, the franchise business model. [DOUGLAS] Thank you, David. The next speaker is Scott Darren. [>>] General Khan and Doug, thank you very much for this opportunity to speak today.

My name is Scott Darren, and I'm here today to talk about Amazon's anti competitive actions. I speak as a consumer and as a engaged community member concerned about the vibrancy and sustainability of my rural town in rutland county Vermont. Amazon is a dominant player in unique comment and has been using its market power to stifle competition. Come with this specific anti competitive actions that Amazon engaged with using its vast amounts of data to give its product an unfair advantage-- boards and 3rd party sellers into agreeing not to sell our at lower prices prices elsewhere. Including rivals from its market parties.

Using its prime membership program to log in consumers. These are just some of the ways in which Amazon is violating antitrust laws, which are designed to protect consumers from anticompetitive behavior, and which are essential for ensuring fair and competitive and an open market. I'm going to go off right for a moment and to say that in my rural area, our independent pharmacies provide wonderful service, often selling prescription drugs at the same or lower prices, then PBM major pharmacy chains in the area. And I agree wholeheartedly with the cause for you to continue pursuing your investigations in that area.

Thank you very much [DOUGLAS]. Thank you very much, Scott. Next speaker is James Muncie. James, are you there? Going once. [>>] Can you hear me? [DOUGLAS] Yes. [>>] I'm trying to understand how the PBMs have committed some the of the biggest biggest fraud fraud-- ever committed in healthcare. The amount of money that they have stolen from pharmacies, from patients. CVS has been under Investigation over 25 years. If any of us would be investigated like that, we would be on the OG list.

These guys aren't on the OIG list, perform perform some of the biggest they do the state of Tennessee, they have contracts for the federal government.

How does this happen? How does an organization like This-- in Ohio they still \$178,000,000 from Ohio Medicaid-- Stole. And nobody does anything. I can't feel a brand new prescription last in my cost and now. It's always blown my acquisition cost. So that's a form of steering. So everyone is steering away because they know I can't continue to lose money on filling a prescription. So if I pay \$900.00 for a prescription, at my cost, and then I have to sell it to the patient for -- and the interest company for how \$850, can how I do that?

Not very long and staying business. These cats are the worst predators ever. They make Bernie Madoff look like a choirboy. I don't know how this continues to go on and we can't bring these guys in. It's unbelievable the amount of money they stolen thank you -- [DOUGLAS] Thank you very much for your comments. I would appreciate if you could turn on your cameras when you're making comments. The next person is is Ryan hose. [>>] Chair Cohen and TC commissioners, thank you so much for conducting this commission and allow me to speak on the impacts of small businesses like mine.

My name is Brian Brian hose, I've been a-- and the owner of sharpshurg pharmacy since 2008. We are located in a rural community of less than 1000 people where we're the only health provider. I'm here on behalf of myself, independent pharmacies like mine and most importantly importantly, the patients we serve. Memorable pharmacies have told us that if you drop a frog in hot water, it'll turn into its fight or flight reaction and it will jump out. If you put that frog in cool water come out and you turn the temperature up, you'll boil that frog.

Into 1002, the business of pharmacy would be in the position. It is today. Many of us like the frog, would have jumped out. Peermak unfortunately, PBMs have turned up the heat and destroying the profession. I love. I see it in our bottom line, our chain -- see it and never deteriorating -- in their patients seeing an increased risk of patient safety -- I encourage you to call on your three letter -- see how long it takes you to speak to a real person. My record is 12 and 45 minutes. This is what our patients will face when all independent pharmacies are gone and completely companies.

Your business and electronic claims process gather so much power? The answer is PBMs turn up the heat slowly to gain profit from our-- allow the PBMS to continually integrate -- these three glyphs-- their own health insurance companies, pharmacies and many now are in medical practices as well. Under the guise of -- not only do they sell the do 2 -- they get to decide how many a competitor gets to-- when I purchased the store in 2008, I would rarely see a couple instances, a day, reimbursement for was below my cost. Now we see upwards of 30% of claims below our cost, sometimes hundreds hundreds of dollars below our cost.

Tricks like DR, clawbacks, non expensive fees, credential cost, and regulatory audits just a name. If you is the way that this has attracted money from myself and made it through the pharmacy counterparts.

[DOUGLAS] Thank you very much. We're over the two minutes. The next speaker is Justine Bateman.

[>>] In front of your work. I am a writer director producer in the entertainment business, and former actress. I've been in the entertainment business business for 40 years. Many business sectors are on the precipice of being taken over by generative AI. In particular, those in the film and serious business need your help to break up the financially and creative stranglehold the studio conglomerates and more severely the tech companies have on us right now.

controlling By much of the production and distribution, they have strong armed us into working more for less money and have destroyed residual payments that keep us aloft between jobs as a W DGA and SAG member, I can tell you that this is what we are currently up against and negotiating against with them. And in the WGA and sag We have case. no thin cigarettes that we once had to help us. We have no paramount to decrease to help us. And very little merge our blocking to dilute their control. AI is permeating our business and making pressure altogether.

I ask you to please take firm action against these studios and streamers. We used to negotiate with the biggest companies in our business. Now we are negotiating with some of the biggest companies on the planet. Some of the most successful, most financially rich companies that have ever existed on the planet. So you can imagine the kind of leverage we don't have right now. I hope there's something you can do to help defend the film business. Thank you [DOUGLAS] Thank you for sharing your views. Next speaker is Bilal sayas. [>>] Thank you Earlier this week per student Donald Trump mentioned his intention to raid--

he returns to the white house. According to mr Trump, the regulatory agencies such as the FTC, do not get to become Fourth branch of government -- effects on the commission from the executive branch would have previously met with strong resistance from the business and academic community, traditional branch-- I don't think this is likely. Support from administrative state has reached deep into these communities and within a significant percentage of the public. The reasons for dissatisfaction of the commission are not easily summarized in a few hundred words and are deeper than the current commissions enforcement and regulatory agenda.

I recognize and believe it's laudable that this commission especially, but not uniquely has attempted to expand its base of those with an interest in voice moments toward dash Das no secret it's that this commission's actions have alienated many who agree with and accept the commission's and have had past work to advance the dynamism of our economy and to protect consumers, and we'll have defended defended the commissions independence. The commission should be aggressive and protect the consumers and competition. It should not be reckless or casual in challenging the constraints that it operates under, as believe it I has been recently.

Some Mueller steps towards the development of the law and regulatory policy in support of its submission should be chosen over leaps. The commission, while expanding stakeholder based, should repair its relationship with those with a long standing relationship with the commission success as a protector of competition and consumers. [DOUGLAS] Thank you, bilal. The next speaker is Sarah bush. [>>] -- thank you for allowing me to speak with you today. The general council of the international franchise association, provides the largest organization representing franchising. Our members include both franchisors and franchisees pure franchising is thriving in the US with nearly 800,000 businesses operating over 300 distinct industries and employing approximately 8.4 million people.

Franchisee satisfaction remains at an all time high based on the study of 30,000 franchisees, 85% reports satisfaction with their franchise system. Franchising is diverse and robust, providing A pathway to entrepreneurship for first time business owners, women and people of color at a disproportionately higher rate than non franchised businesses. The statistics. I say they are based on empirical data and are included in a response to these submissions march 10th RFI. The commission is uniquely positioned to gather empirical data about the issues raised in the RFI, and we urge the commission to do so rather than rely on anecdotal stories and incomplete surveys that plays special interest in the relational practices.

franchise relationship practices exist to protect franchise interest and businesses from harm. Other franchisees provide safe environment for workers and maintain consumer trust in the brand. And one size fits all relationship-- will it restrict Franco systems exercising the flexibility to respond to changes in consumer preferences and market conditions as the non franchise counterparts, squeezing them out of their industries. In doing so, this commission will strengthen big business, at the expense of smaller business owners and that the commission aims to protect. Iron force the protection of the franchise rule and presale which which-- public comments responding to the RFI.

Would look forward to working with the FTC to make necessary changes to the franchise rule. To improve transparency and accountability, we urge the commission to not-- with broad sweeping regulation of franchise relationship with. Thank you so much. [DOUGLAS] Thank you, Sarah. Next speaker is Robert Murphy. [>>] Hello. Thank you for having me. I'm just a consumer. I just want to talk to you about my relationship with CVS caremark caremark. is CVS the only PBM available on the viable plan-- we provides. 11 pharmacies I look forward in my home in Washington DC come at 9 our CBS.

There's an illusion of choice when it comes to filling prescriptions prescriptions. is Filling already enough-- I go to CVS because it's the path of least resistance considering that there are also my. I don't it do because I want to- PBM. Mclean benefits simply don't exist. I want to see you. So try to get the -- my wife is an infectious disease doctor and has also experienced problematic -- including-- written by them and their clinic. Nothing in the encounters I've had with CBS as a customer-- lumia customer they're having a duty towards -- when I was thinking about this question of PBM relationship pharmacies, I was reminded of this story of--

swindled out of a game of poker. Our friend goes up to him and says bill, why are you still playing? His response was it's a crooked game, but it's the only game in town. That's how I feel about it. So consumer when it comes to CVS combination of pharmacy provider. [DOUGLAS] Thank you very much, Bobby. The next speaker is grace Garcia. Are you there? [>>] morning, federal trade commission members.-- I've worked in the grocery industry for 32 years. 8 years ago, I experienced first hand the pain of losing my job due to a merger. This painful experience and not only affect me, but it affected my children and my family as well.

In 2015 I was laid off when my store was sold to Hagen as a part of an albertan merger. Hundreds of workers were laid off at the time as well. I didn't have a job for three months, and the certainty of not knowing what was going to happen was very stressful. Not knowing how I was going to pay my rent and feed my children as a single mother. I was only able to pull through these challenging times with the support of my family. My mom and sister helped me out financially come up with other workers weren't as lucky.

Many friends and co workers cannot find a job and couldn't support their families. Some lost their homes, others had their cars repossessed. Customers suffered when Hagen took over food prices skyrocketed. What the customers do? Stop store because they couldn't afford to buy the groceries and the food was too expensive. I was finally able to find a job at vons but had to take a demotion and a pay cut from working \$18.00 an hour as a checker to 1575 an hour working in their Starbucks kiosk. I definitely don't want to go through this struggle again, I don't want this.--

mega merger with krogers and orbison to come through fruition. This is harmful to its workers, it's its harmful customers, to and it's especially harmful to our low low income communities. I'm calling on the federal trade commission to block the Kroger albertson's merger. Thank you very much. [DOUGLAS]

Thank you very much, grace. The next speaker is Elena smith. [>>] Thank you so much for the opportunity to talk today. I am a member of the WGA and the DGA I'm the creator and showrunner and writer and producer of Dickinson, which was one of the first four shows that launched the global Apple TV streaming platform.

And I am very concerned about the health of the Hollywood TV and film industry as you know, hundreds of thousands of workers are currently on strike. And unfortunately, we have just come through a streaming bubble that was fueled by predatory pricing and the entrance of huge tech companies such as apple, where my show was aired, who don't need to make your profit off of this industry, but are using our products in order to strengthen their already monopolistic tech tech ecosystems. Now that bubble has popped, and people are really feeling the pain. People are on strike, working conditions have been made much worse.

And what's being exposed is this new studio system that has formed under these tech companies that not only is hurting all workers, but ultimately will result in the outsourcing of Hollywood out of America. As you know come with the places where this countries would prefer to shoot its international spaces where EDMS are not formed. This is hurting consumers and viewers of TV and film because the companies had the data. So no artists or independent producers have any idea of what stuff that we make is actually working. There's no more metrics for viewership or awareness of what audiences actually want.

I am to here to implore open the FTC an investigation of these companies insofar as they are and creating to TV impose and in film, my view, what would solve this this problem is structural separation between production and distribution. I do not believe that platforms should be allowed to own what they distribute. [DOUGLAS] Elena, sorry, we're over the two minutes. Peermak thank The you next for the speaker comments. is minhall [>>] Veigh. Thank you for for the this commission meeting. My name is min hall bag, Amy writer and director of -- I'm a member of the writers of America.

That's currently on strike. Because we could not reach a deal with the Alliance of motion picture or television producer. 2019, the -- it was bought by apple. It was apples first narrative appreciation for its streaming platform that would later launched and follow that year. Since then, many streaming services have entered the market, and at first, there was a promise of increased consumer choice. Once all the other studios started vertically integrating producer and financially distributing their own content on their own streaming services, the working conditions for those behind the scenes such as writers, directors and global crew have become intolerable and careers as sustainable.

Through-- platforms that are stable from each other. It was once a market for syndicated television that would air on different networks, bringing in fresh profits for the creations of all. Streaming services hold their content on their platform and there is pollination. pollination Disney and Netflix hold the streaming revenue, and once the remaining players and will-- leave fewer choices for consumers while they're increasing--- amounts of damage to creativity and diversity. Streaming services have created a hostile environment to the creation of film and television. The consumer welfare standard is no longer sufficient and must be updated to consider how labor is affected.

We need meaningful change to address these accumulated harms of accumulation. [DOUGLAS] Thank you so much, Minhal. The next speaker is David balto. [>>] Thank you If it bam top. used to be the director of-- advisor to Robert kopski. I represent the unions and consumer groups on PDM-- that testified before Congress four times and have testified before 14 state legislatures on the need for PBM reform. It

is to reckon that you're holding the public hearing because the FTC's past advocacy has placed the economic theory and theoretical concerns of the concerns of consumers that you're hearing today. Hearing from consumers is readily available. I have submitted a separate statement to the commission offices about my testimony. I was involved in opposing the past advocacy in pitch battles before states states, sometimes-- we didn't? This particularly misguided because the states had a significant evidence of anti conduct conduct by PBM. The big issue here is that they are using the past advocacy, which is outdated. Is the question of transparency-- PBMs. Theoretical concern by these comments that transparency would lead to collusion please note that there is transparency in lots of health markets, and there's no evidence that that transparency has led to collusion.

especially in the fashion that the FTC staff has suggested. The FTC suggests that payers will be dominated to go and share specific rebate information with PBM's. And there's no evidence in the market that actually happens. We see a proliferation of transparency and other health markets. That doesn't lead to the kinds of collusion that the FTC as opposed in their theoretical comments. The FTC should abandoned this past advocacy. I know first hand in advocating for current reform measures that it is an obstacle to meaningful regulation. And the FTC should. And then those statements and come up with strong statements for the need for regulation against these markets.

Thank you [DOUGLAS] Thank you, David. The next speaker is Kevin Dwayne. [>>] Thank you My name is Kevin Dwayne, I'm a pharmacy owner in Jacksonville FL. I operate one of Jacksonville's longest operating pharmacies. PBMs have crossed a very negative impact on our business. They operate on in the shadows shadows they have commercials, they are probably tweeting right now about this meeting. They point the finger at everybody. But themselves. it. Doesn't tell the whole story. In our industry come like they demand the rebates for manufacturers in exchange for preferred placement on the formulary in other industries come, I'm sure that will be called the bride.

They charge a higher price to a health plan for particular claim and then pay pharmacy like mine much lower than they pocket the middle. In other industries that, that would be dishonest instilling. Somehow this is just business as usual in PDM markets based. In our state, the state of Florida, the legislature and our governor have passed some really meaningful laws to shine sunlight on these practices. That's only the beginning. I very much appreciate the FTC, and their willingness to examine withdrawing the current guidance at that. Others have said, use as a crutch to justify what they are trying to do.-p PBM tremendously--

claim-- they also own Her pharmacist. They operate their specialty pharmacies -- the amount of vertical integration is just staggering -- this necessarily leads to reduced competition and consumer harm. People can't choose where they want to -- they're forced to use the pharmacy that they PBMs want them to. That's for the benefit of the shareholders and PBMS. We need fair access, affordable drugs. Without addressing these issues, consumers and pharmacy owners like myself are going to suffer, while PBMs continue to reach it themselves. I -- thank you for the time to speak. You [DOUGLAS] sure you the time speak --

next speaker is lupe. [>>] Good morning, my name is Lupe Lopez. I come from a low income family. I'm here today to talk about a great injustice that impacts all communities. Especially the low income community. I am the owner of-- with the storage the in San Francisco area serving mostly low income communities who are struggling to get by right now. At my stores are customers are not numbers. They

are-- our family. Will always be the the backbone community of because we are not an active part of the community. We are accessible and we create-- an active part.

We support the community through programs, scholarships and other events. My husband opened the store in 1993, and although I studied to be a networking engineer, I followed him into the grocery business as I saw the the impact small business makes in the community. Being in business has never been easy, but it became a lot harder during the pandemic when the small businesses like mine where the target of discrimination by bigger stores that demanded, and somehow always seem to get whatever they wanted. Even today, we are still at their mercy. We don't get equal treatment, we don't get the products they do and the prices they do all my life.

I have worked to overcome-- in a lot of roadblocks that these days because they they think are so big and no one can say no to them. As independent an grocer, I am hoping you have the the power and will to demand change in how business-- unfair competition practices that ultimately result in the impact to our communities. We are not looking for handouts. We are looking for fair competition. Thank you for your time. [DOUGLAS] Thank you very much, lupe, and thank you to all the speakers. We have about four speakers left. Thank you for your patience.

The next speaker is Matt kishman. Are you there? Matt? I'm going to move on. The next speaker is Sarah sirota. [>>] Thanks so much. Can you hear me OK? [DOUGLAS] Right ahead. [>>] On the behalf of the American liberties economic liberties -- and the advocates for balanced and fair markets, which all have the opportunity to compete. We urged the FCC to vote today and be very cautioning pharmacy benefit managers using outdated statements to defend their practice of shielding drug prices from the public, allowing these monopolies to jack up those prices behind closed doors. Fortunately, state and federal lawmakers today increasingly recognize that the harms created by PBM monopolists and are seeking to the industry industry.

PBMS are waging a massive campaign to spread fear about any changes, often relying on the statements the FTC made more than decade ago about the-- at a time when the balance of power was more fairly distributed they're thinking about market concentration was much different than it is today in 2020, insulated they're -- common sense to make drug prices more transparent would make prescriptions unaffordable for patients. Pcma referred to letters the FTC sent in 2004 and 2005 warning that this groceries would lead drug makers forbidding aggressively by lowering their. Prices. The lead trade group by big pharma also referred to these letters in a reform in Minnesota just a few months ago in April to direct drug makers to reveal their prices.

These monopolists will use any tool available to defend their power to break the game against everyone else. By crushing them against relying on outdated statements, the FTC is sending a powerful message today that it will not tolerate this and will stand up retribution -- needed -- government payers being squeezed in the independent pharmacies serving their communities with better prices. [DOUGLAS] Thank you very much, Sarah. The next speaker will be Alison Johnson. [>>] Thank you so much. My name is Alison Johnson, and I wanted to join today to voice grace concern with the proposed Kroger and Albertsons merger that's currently under investigation by the FTC.

, campaign director for the the economic program, which is a multiracial class organization that unites millions of parents.-- as Three million members and reaches 60 million With parents. this merger is allowed to go through, Kroger and Albertsons together. We're controlling significant share of the American grocery market. The newly formed company along with corporate giant Walmart walking through more

than 70% of the 167-- market. and some more than 90%. Experts predict that the merger would lead to price increases in addition to undermining competition and eliminating jobs. In recent years, food and grocery prices have already skyrocketed, and CEOs used the inflation to justify price hikes-- it's already hard enough for families across the country to get food on the table. A recent survey found that a shocking 96% of parents said that they are noticing rising prices the most ever grocery stores. 67% of our parents said food is their biggest challenge right now pure Mike this merger would make it even harder. In march 2023, parents issued a parent advisory to alert families of this harmful impending merger. We then mobilized 30,000 patients and caregivers sending a letter to urge the FTC to complete a thorough investigation and prevent a grocery monopoly. You may have also seen parents advocates and groceries and kids rattling on May 24th.

Today I asked the FTC to block the krogers Alberts megamerger so parents can continue to feed our kids and take care of our families. Thank you so much. [DOUGLAS] Thank you very much, Allison. The last speaker today will be Aaron Pfeiffer. [>>] Thank you, Doug at? Best for last. It's a joke. Thank you, commissioners come up with the opportunity to comment today and appreciate the continued focus on drug prices and consumers. I'm today here representing global leader and type one diabetes. People with T1D must take insulin-- no one should suffer or die because they can't afford their insulin.

This happens all too often.-- urging manufacturers, health plans and employers come up PBMS and employers see -- that it's available in a low and predictable out of pocket cost. Our current system to access drugs via formularies managed by PBM's -- the full list price of insulin is a person with diabetes. The insulin rebased system generates savings for the system by unfairly requiring people with diabetes to shoulder the burden of higher prices through the inelastic demand -- this inverts the basic logic of our system as we now have chronic conditions subsidizing those without. Recent months, leaving insulin manufacturers have made programs in reduced list prices of cash paying users.

While we welcome these programs and the potential to reduce cost, they are voluntarily run by manufacturers, meaning they could change and with low notice. These programs themselves highlight the need for actions that provide long term systemic solutions to the broken insulin market to ensure everyone has access to a portable insulin. The 1.4 million Americans living with T&D, or the-- her face nearly three decades of exponential price increases and-- as as long the current rebate system PBMs-- millions of Americans will face in uncertain future. We continue to support the FTC's ongoing work to care for these abuses and help ensure everyone has access to affordable low cost insulin.

Thank you. [DOUGLAS] Thank you, Aaron, and everyone who joined today. There are not many places in America where screenwriters combine actors can-- we're grateful for all of you for coming and sharing your views. Without, I'll turn it it over to sharekhan. Thanks, KHAN] Doug, and I'll echo your thoughts to everybody who came today to share your comments. I know I always benefit from hearing from people about how the FTC work is affecting their day-to-day lives. I think today in particular was especially interesting to hear about how some parallel trends across a variety of markets misleading to some analysis and experiences being in the pharmacy context or Hollywood.

Thanks so much to everybody who joined. We are now going to turn to the items on our agenda. The first item of business is the issuance of a statement by the commission, cautioning against relying on certain prior FTC statements and reports relating to the PBM markets. We have already heard from several folks about this. PBMs today's service powerful intermediaries at the center of the prescription US prescription drug system. we've seen significant horizontal consolidation and vertical integration in this market. and

have gotten significant inputs from the public raising concerns about certain practices in these markets. A couple of years ago we launched a public docket to gather input, both on unfair contractual practices as well as the practices of PBMS, and we received somewhere around 24,000 comments, including from pharmacies, doctors, patients.

We heard a whole set of concerns from people who own competing pharmacies, who shared concerns that PBMs we're imposing all or nothing and take it or leave it contractual terms that were really squeezing their ability to compete on a level playing field. We heard from patient advocates how certain rebates practices may be depriving patients of access to generics and biosimilars, which are oftentimes costing less than brand drugs. We heard from doctors about how practices from PBMS may be leading to burdensome authorizations and other administrative requirements that could lead to significant delays and impede the ability of patients to get access in a timely way to critical medicine we built a great record. Since then, we launched this study. We sent orders to the PBMs request data and make sure we get it 360 view of practices in the market. We recently expanded this study and sent similar orders to group purchasing organizations that are affiliated with the existing PBMs. In light of this ongoing work, we want to make sure that prior statements that the FTC made are not being relied on in a way that could be impeding ongoing efforts at the state level or even at the federal level. To be examining the practices of these PBMs, and in some cases requiring transparency or disclosure requirements over the last couple of decades there have been repeated efforts at the state level to address the practices of PBMs. And some of these bills would have required greater disclosure. As we heard from several folks, especially recently, some of these state efforts have run into opposition, including from the PBMs, also from the FTC. So we want to make sure that our statements are not being used in a way to combat these state efforts, especially at a moment where we are taking such a close look at the industry and how various trends in the last decade, particularly may have changed the market in which that should compel us to revisit some of our prior advocacy and assumptions.

Light of that, we are considering today a statement that would make clear for the market that these prior letters and reports should not be relied on as the FTC is continuing its important work in this area. That is the statement that we would be considering. I'll say as a general matter, I think it's really important and healthy for us to be revisiting our assumptions, especially when we have markets that have changed those significantly. I have no doubt that prior in this area we're reflecting good faith efforts to be responding to what they saw as potential risks that would have been created by some of these state efforts.

But especially in a moment where we have seen so much consolidation and vertical integration and significant information asymmetries that have resulted through those practices, we really want to make sure that these advocacy letters by the FTC are not being used in this way. With that, I will turn it over to my colleagues to share any thoughts or remarks before moving the item before a vote. Commissioner-- [>>] Thank you, chair Khan, and I want to echo the comments for weighing in today. It's always really great to hear from people. Really helps to inform our thinking in a lot of ways.

I would like to join you in supporting the commission statement concerning the reliance on prior PBM related advocacies. For two primary reasons. -- advances the commission's -- and second, things silent on the risk of misplaced reliance on our outdated PBM guidance may significantly harm patients and other stakeholders in health markets. Principles of transparency and good governance make it incumbent on the commission commission to make it-- we identify as potentially unlawful and to update our notice

and guidance as our understanding of markets evolved. Consistent with that obligation, the commission should inform the public when our prior policy guidance should no longer reflect our current learning and experience.

That's the case here. Between 2004 and 2017, the commission published 11 letters and reports that advocated against implementing mandatory disclosures and transparency requirements on PBMs. These materials primarily relied on the understanding that the structure relevant healthcare markets was sufficiently competitive, and that mandating certain disclosures by risk unintended anticompetitive consequences. Including-- among them was the then commissioner-- then FTC commissioner Julie Bro. The 2014 letter-- as your council, cautioned against relying on prior FTC advocacy reports that advised against imposing mandatory compensation and disclosures on PBMs in addition to describing this questionable on the level of competition on the PBM market at the time, she noted that the PBM study released by the FTC in 2005 in particular was quite old at that point.

And could not have taken into account the significant changes that occurred in the market since 2005 and. Since commissioner-- competitively troubling and the market have significantly increased. Denim if you, vertical integration and horizontal concentration among payers, PBM, pharmacies have accelerated. The number of independent pharmacies and the visibility into PBM contracting practices have decreased. List practices and patients out of pocket cost for prescription drugs have increased as PBM rebates and fees have mustered. In light of these market the commission authorized in June 2020 to a study under section 6B of the FTC act of certain PBM market structures and practices.

This ongoing study is an important step towards helping the commission identify and understand what roles PBMs play in the opaque and complex web of challenges that adversely affect price, quality, consumer choice, and competition in the US pharmaceutical market. I know many observers, myself included, eagerly anticipate the results of that study. We do not need to wait for it to be completed to update the public on what we already know to be true. The commission's prior PBM statements do not reflect the contemporary market realities. The update is necessary, given the substantial cost to patients must bear if policy breakers or government agencies, or market participants rely on outdated advocacy passing the faces for not advancing solutions to any anticompetitive market outcomes driven by PBM compensation and fee practices.

For these reasons, I wholeheartedly support approval and commission statement concerning reliance on prior PBM related I advocacy. thank you very much. KHAN] Thanks, commissioner slaughter. Toyo. [>>] Thank you, commissioner con, I agree with everything you and commissioner Schlatter have shared today. I couldn't agree more than the current pharma and healthcare supply chains are radically different from where they were 20 years ago. The statistic that I was jumped out at me was 20 years ago, there were 29 different health insurance come up PBMs, pharmacies. 20 years later, they have all merged into 3 vertically integrated entities that handle 70 or 80% of the prescriptions in this country.

That is completely different than it was when many of the statements were issued. As an agency, we have to provide the public and businesses with active and meaningful guidance. What we are doing today brings us closer to that. I will just say more broadly, I think it's time to question some of the benefits from vertical integration. Some of the concerns that we heard today around steering and mail order or audits, I think they need to be taken seriously. I think it's time to question whether a lot of those benefits are accruing the way that people thought they would.

Lastly, I think One of the reasons I'm excited to support this, is because some of the best innovation to try to protect consumers, to try to provide a level playing field for independent business, have come from the states like West Virginia and Oklahoma and Louisiana. So withdrawing this guidance we'll make sure that outdated guidance isn't standing in the way of slate legislature around-- we're trying to provide that level playing field that I think all of us will help the public live healthier lives. With that, looking forward to supporting us, and I appreciate moving us forward, [CHAIR chair KHAN] Thanks Khan.

for that, and your mention of the important work that happens at the state level. It also reminds me that we are currently collecting comments on our relationship with the states and what the FTC can be doing to more closely work with state AG's and other state actors and local enforcers. Very much welcome comments and input as part of that docket as well. Want to thank the office of policy planning for their work on the statement that we're working on today Sarah MacKey, Elizabeth Jax, add-- get all your efforts on this area. With that, I will move to the commission approve and issue the commission concerning reliance on prior PBM advocacy and reports that no longer reflect market realities in the forms substantially similar to the version that was circulated on July 18 under matter number P 230100.

Is there a second? [>>] I'll second. [CHAIR KHAN] Which have seconded, been I'll call it for a vote. My colleagues. The motion passes unanimously. Thanks to in particular folks, pharmacists, patient admits, people across the health industry who have been weighing in and sharing your perspective with us via through public dockets or these types of meetings. We appreciate your input and are all eager to help driving this work forward at the commission, especially as we heard today, the decisions that businesses make in these markets could have life or death consequences for people. We are moving forward with great urgency.

We'll move on the agenda. July is military consumer protection month. So while we honor our military members and veterans service to our country, we also need to be protecting them from fraud and abuse. Today we're lucky to have a presentation from Carol Kendall Panetta from our division of consumer and business education. This is a division within our bureau of consumer protection that day in and day out is thinking about how we can be communicating with people and communities to make sure they understand their rights, they understand what scams and frauds are currently proliferating, and we're very grateful for all of their efforts in this area.

With that, we will turn it over to the [CAROL] presentation Thank from you Carol. Tamara Chair Khan, commissioner slaughter and bedoya. Appreciate the and need to empower service members, veterans and military families to avoid fraud. As you know, the commission maintains A varied and robust education and outreach as an essential tool in our consumer protection and fraud prevention work. The FTC creates free plain language information that's online,, in print and on video. We give people objective advice on english, Spanish and other languages, often targeted to a particular audience with steps they can take to avoid or resolve a problem.

We share these resources through outreach events nationwide, blog posts that go. Each week to hundreds of thousands of subscribers, through carefully developed partnerships that help us reach historically underserved and other audiences, including service members and their families. The agency has long emphasized the outreach to the community as a critical priority. We have learned from working with our military partners that there are rewards and challenges of their military life may attract the attention of scammers. Service members get a steady paycheck and access to benefits that make them

an appealing target. Younger personnel new to the service, this may be their first full time job and first time making financial and buying decisions for themselves.

For many years, the FTC has worked with military organizations, including the Department of defense, office of readiness, known as DoD-- and the consumer bureau office of members affairs, known as-- in 2013, the FTC launched his military initiative, a more formal collaboration of agencies and organizations to alert the military veteran communities and the financial counselors that work with them about consumer issues targeting the troops. The initiative includes the website, military consumer gov, social media and the partners. The military consumer partner network includes federal and state agencies, military agencies, state attorney generals, military relief and support organizations consumer advocacy groups and military trade associations.

For the past 10 years come with the partners have shared FTC advice while skimmers can and do advantage advantage. They have greatly increase the-- the FTC, you'd, -- launched the first-- sharing content online, sharing presentations and hosting conversations on social media. In 2016, at the request of DoD, the agency expanded the initiative from One day to a full month every year in July. FTC, do deferred, and POBC,-- patients over social media. DFC's military consumer initiative also involves close collaboration with the department of veterans affairs, the VA. For the past several years, the FTC has appeared on virtual programs, hosted by the VA's identity protection program and its economic development development initiatives.

Recently, the commission has learned of reports of veterans being targeted by entities that claim to help veterans file for disability benefits. But they are not being approved agents, or representatives of a veteran organization. Some of these entities used deceptive practices to overcharge veterans for services that are generally free, or simply they failed to provide the promised services. The FTC is coordinating with the d for consistent message to help veterans avoid these deceptive practices. The FTC participates in an ongoing working group with federal agencies led by the d to combine forces and inform veterans how to avoid scams.

We're going to stations like AARP veterans and military and families initiatives have invited the FTC to participate in town hall calls, social media broadcast and other presentations to expand our to veterans veterans. In addition to FTC work with partners, the agency collects reports from the military community through consumer sentinel. In 2022, sentinel received over 195,000 complaints from military consumers, including over 150 reports from military retirees. The military community reported monetary harm of over \$400 million of fraud, an increase of more than 50% from the previous year. We know this doesn't represent the full scope of harm to this audience.

But it does give an idea of where the harm happens in the military community. A pre imposter scams, identity theft, credit reporting. The reports show that shopping, debts, investments in cars are issues affecting this audience. In 2020, the commission launched a new tool that explores a greater snapshot of sentinel data from service members and The veterans. military dashboard, which includes from the past five years, is interactive and updating quarterly. Partners in our military network and members of the public can and do explore the dashboard to see how categories of reports and losses may change over time.

Military consumer reports to the FTC also demonstrates how identity theft impacts service members differently than their civilian counterparts. 2020, the FCC conducted A deeper analysis of reports from the military community. That data spotlight about identity theft noted that military reports to the FTC showed

active duty members are 76% more likely than other adults to report that an identity thief misused one of their existing accounts, as such a bank accounts or credit card. Most notably, they are nearly three times more likely to report someone used a debit card or some other electronic means to take money directly from their bank account.

The FTC law enforcement act illustrates some of the waste deceptive and unfair financial actions harm the community. Our actions have gone after companies have targeted the military community with false practices of investment opportunities, deceptive claims and recruiting tactics regarding for profit schools, legal practices regarding to automobile purchases and bogus charities that exploit people's desire to help those who have served. In July 2022, the FTC brought the first case in forcing the Military Lending Act on the FTC and a group of 18 states took actions against terrorist jewelry, a national retailer. Together we stopped the company from targeting military families from illegal and sales practices practices.

Ultimately requiring the company to pay \$11 million in refunds among other things. Finally, we know from military consumers reports to us that they have gotten problems with the car buying process. The FCC proposed a rule to avoid junk fees and bait and switch advertising tactics that played consumers. The FTC makes it hard or even impossible to -- consumer settle for thousands of dollars in unwanted junk charges. Or the agency is reviewing the thousands of comments submitted as it considers next steps. I hope everyone who has an interest in supporting the service members, veterans and their families will follow consumers consumers on Facebook, and at consumers on Facebook, and share the advice with military personnel and--

I'd like to thanks Chair Khan,-- veterans and their families. KHAN] Big thanks to Carol for that informative presentation. As Carol mentioned, there's a lot of consumer outreach underway. But we are using all of our tools, including law enforcement tools. Carol mentioned the lawsuit that we brought in tandem with many state attorneys generals against Harold jeweler, which in particular had been cheating military families. We also last year brought action under the franchise rule where we sued the fast food chain burger in, which we found had been luring potential franchisees, including veterans, with false promises that led to veterans taking up to \$70,000 in debt and paying franchise fees only to discover that the company's promises were not true.

In addition to the auto rule, we have promulgated April most imposter scams rule, which escarra noted, imposter scams are one of the top set of complaints that we received from veterans. We recently filed A amicus brief that was trying to make sure that arguments that were being made of the private people under the military act, that they reject those claims. A whole set of works under ways in addition to consumer outreach and the enforcement front. Big thanks to Carol for that great presentation. We will turn it over to my colleagues to share any other thoughts or remarks before we wrap starting with commissioner Bedoya and then commissioner slaughter.

[>>] Thank you Deeply grateful for this work. It is extremely important. Aren't happy to see it move forward. That's it. Thank you. Commissioner Schlatter. [>>] Sorry. Didn't mean to cut you off. Thank you, Chair Khan. I'll associate myself with your remarks and those of commissioner bedoya. I'll only add that this work is an example of why it's really important for us to be intentional in making sure that our enforcement, consumer education, advocacy, reaches all communities in America. I think we have seen statistically and through our enforcement efforts that veterans can be particularly susceptible or particularly likely to be targets of fraud and abuse.

Also more than if we were not seeking out this information and making sure we are aware of the problems that are facing our service members, we wouldn't be well positioned to help protect them and stop some of the problems that are happening. I really appreciate both the presentation and the underlying work behind it. I'm happy to support it. [CHAIR KHAN] So well put. I will underscore that our team is terrific at reaching out to not just veterans and identifying these camps being targeted, but also at folks which English is a second language-- Folks. Want to thank commissioner Bedoya who has been pushing the commission not just in Spanish, but also in languages that huge communities in the united states speak to make sure that our consumer outreach can be even more effective.

thanks in particular to commissioner punya for your efforts on that front.-- Badoya. I, and that concludes the items that we had on the agenda for today. Thank you for the inputs and comments. With that, are adjourned .