

Chair Lina M. Khan
Opening Statement
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Hearing on Oversight of the Federal Trade Commission
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Chairman Jordan, Ranking Member Nadler, and members of the Committee, thank you for inviting me to testify today. I am glad to join you to discuss the FTC’s work to promote fair competition and protect Americans from unfair and deceptive practices. It’s a particular honor to appear before this Committee, which I had the great privilege of serving during its historic bipartisan investigation into digital markets and the power of large technology platforms.

As this Committee knows well, there has long been a battle in this country between monopoly power and America’s democratic institutions. Congress created the FTC in 1914 against the backdrop of an industrial revolution that had delivered sweeping technological advances but also enabled intense consolidation. Given deep national unease about the unchecked power these monopolists could wield, lawmakers tasked the FTC with preventing unfair methods of competition and scrutinizing business practices through regular data collection and continuously building expertise. In the subsequent years, Congress has expanded our legislative mandate to include laws aimed at protecting consumers. With each of these efforts, Congress has redoubled its commitment to fair competition and to rooting out unfair or deceptive business practices—and has charged us with pursuing these aims amid ever-shifting business tactics and evolving technologies.

At the FTC, our North Star is fulfilling the important mandate that Congress gave us – and doing all that we can to faithfully enforce the law and safeguard America’s citizens and businesses from harmful, even dangerous, concentrations of private power that characterize

significant swathes our economy today. I am endlessly impressed by the talent and tenacity of the FTC teams, especially in the face of ongoing resource constraints and legal challenges to our authorities.

Over the past 24 months, the FTC has moved to challenge major transactions that would have eroded competition in critical sectors of the economy, including defense, semiconductors, energy, healthcare, digital markets, and pharmaceuticals. We are tackling anticompetitive practices, including those that harm American farmers, small businesses, and workers. Last year, the FTC and a bipartisan coalition of ten state attorneys general charged the two largest pesticides manufacturers with unlawful “pay to block” schemes that prevented farmers from having access to cheaper generic products, costing farmers billions of dollars. In January, the FTC proposed a rule that would ban employers from imposing noncompete restrictions that lock in workers and collectively depress their wages by up to \$300 billion—while also depriving startups and businesses of the employees they need to expand and compete. In the months since proposing this rule, we’ve received over 21,000 public comments, including from nurses and doctors, fast food workers, and hairdressers, who told us how noncompetes had hurt their livelihoods and undermined their economic liberty. Already, several enforcement actions by the FTC have led firms to drop noncompete restrictions imposed on thousands of workers.

The FTC also continues to use its tools to conduct market-wide inquiries that allow us to keep pace with new business practices and trends. Last June, the Commission launched an inquiry into the practices of pharmacy benefits managers to shed light on the opaque operations of these large middlemen who can dictate pricing and access to life-saving drugs for millions of Americans. This inquiry follows thousands of public comments the FTC received explaining the real-life costs that can follow from PBMs’ current practices. One doctor, for example, recounted

how delays in PBM approvals caused her patient to develop resistance to an otherwise effective treatment, ultimately leading to the needless loss of her patient's eye.

In addition to these critical areas of work, we are redoubling our efforts to protect Americans' privacy and combat fraud—while also activating additional authorities that Congress has given us. We've brought actions to protect consumers from Made in USA fraud, protect military families from predatory financing, and protect addiction recovery patients from deception. We are fighting to protect the security of people's sensitive personal data and have obtained record monetary judgments—including the largest-ever judgment to protect children's privacy.

The Commission has also proposed rules to address some of the most widespread scams, like government impersonation fraud, Made in USA fraud, and fake online reviews. The agency is tackling junk fees plaguing American consumers and scrutinizing dark patterns that trick people into incurring unwanted charges or surrendering sensitive data. Our "click to cancel" rule would require companies to make it as easy to cancel a subscription as it is to sign up for one.

The FTC is also committed to fighting for people's right to repair their own products. Following a 2021 report to Congress, the FTC has brought several major actions against companies for imposing unlawful repair restrictions, hurting customers and independent repair shops alike.

In other words, the FTC is firing on all cylinders, fighting every day to protect the American people from unlawful business practices. These efforts reflect the extraordinary work of our agency's staff, whose talent and dedication are second to none. It is a deep honor to serve in this role, and I am enormously proud to see how our enforcement actions and policy work are materially helping Americans in their day-to-day lives. In the aggregate, our work helps promote

the open, competitive, resilient markets that have been the bedrock of America's economic success and dynamism throughout our nation's history.

Thank you for the opportunity to appear before you today, and I am happy to answer your questions.
