



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580

Prepared Remarks of Chairman Joseph J. Simons¹
Hearing on “Review of the FY 2020 Budget Request for the FCC & FTC”
Before the Committee on Appropriations
Subcommittee on Financial Services and General Government
May 7, 2019

Chairman Kennedy, Ranking Member Coons, and members of the Subcommittee, I am Joseph J. Simons, Chairman of the Federal Trade Commission. I am pleased to appear before you today to testify about the Commission’s FY 2020 appropriations request.

The FTC is an independent agency with a broad mission to protect consumers and maintain competition in most sectors of the economy, ranging from oil and industrial chemicals, to high technology and consumer goods. The FTC has a long history of bipartisanship and cooperation, and we work hard to maintain that tradition.

We fulfill our mission using three critical tools. First and foremost, the FTC pursues a vigorous and effective law enforcement program, and the impact of its work is significant. Our competition enforcement program is critically important to maintaining competitive markets across the country: vigorous competition results in lower prices, higher quality goods and services, and innovative and beneficial new products and services. Our consumer protection enforcement program stops unfair and deceptive practices in the marketplace—everything from fraud to deceptive advertising to robocalls to problematic privacy and data security practices.

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

Second, we pursue a policy and research agenda to improve agency decision-making. Last fall, for example, the Commission began its *Hearings on Competition and Consumer Protection in the 21st Century*.² These public hearings are exploring whether broad-based changes in the economy, evolving business practices, new technologies, or international developments might require adjustments to competition and consumer protection law, enforcement priorities, and policy. The formal hearings will conclude shortly, and we expect to issue several reports by the end of the year. We also engage in advocacy by promoting competition principles in comments to state lawmakers and regulators,³ and we host initiatives like PrivacyCon, which explores cutting edge research on privacy and security topics.⁴

Third, the FTC provides important consumer education and business guidance to encourage informed consumer choices and compliance with the law. For example, the Commission has created a series of educational materials for older Americans: these include a series of materials that give details on scams that affect seniors;⁵ blogs to help identify these scams;⁶ and materials to empower older adults to educate others, like our “Pass it On” campaign.⁷ We also work to provide companies with resources on a variety of issues that affect businesses. For example, our “Cybersecurity for Small Business” campaign, a joint effort with

² FTC, *Hearings on Competition and Consumer Protection in the 21st Century*, <https://www.ftc.gov/policy/hearings-competition-consumer-protection>; see also FTC Press Release, *FTC Announces Hearings On Competition and Consumer Protection in the 21st Century* (June 20, 2018), <https://www.ftc.gov/news-events/press-releases/2018/06/ftc-announces-hearings-competition-consumer-protection-21st>.

³ See generally <https://www.ftc.gov/policy/advocacy>.

⁴ See FTC Press Release, *FTC Announces PrivacyCon 2019 and Calls for Presentations* (Oct. 24, 2018), <https://www.ftc.gov/news-events/press-releases/2018/10/ftc-announces-privacycon-2019-calls-presentations>.

⁵ See, e.g., FTC Consumer Protection Data Spotlight, *Older Adults Hardest Hit by Tech Support Scams* (Mar. 7, 2019), <https://www.ftc.gov/news-events/blogs/data-spotlight/2019/03/older-adults-hardest-hit-tech-support-scams>.

⁶ See, e.g., FTC Consumer Blog, *How to Spot, Avoid, and Report Tech Support Scams* (Feb. 2019), <https://www.consumer.ftc.gov/articles/how-spot-avoid-and-report-tech-support-scams> and <https://www.consumidor.ftc.gov/articulos/como-detectar-evitar-y-reportar-las-estafas-de-soporte-tecnico>.

⁷ See www.ftc.gov/PassItOn and www.ftc.gov/Pasalo. The campaign has distributed more than 10.6 million print publications since its creation, including 1.1 million so far in fiscal year 2019.

NIST, the SBA, and DHS includes a dozen need-to-know topics like ransomware, phishing, and tech support scams.⁸

In FY 2019, the FTC's enacted budget is \$309.7 million, and for FY 2020, the FTC is requesting \$312.3 million. The additional \$2.6 million requested is for expert witnesses and IT modernization. Expert witness contracts are an increasing need in light of the growing number of complex investigations and litigation in both competition and consumer protection matters. We also require additional resources to modernize our IT infrastructure, which includes moving critical applications from our aging on-premises data center to the cloud, including essential litigation support software.

We are committed to using our resources efficiently to protect consumers and promote competition, to anticipate and respond to changes in the marketplace, and to meet current and future challenges. We look forward to continuing to work with the Subcommittee and Congress, and I would be happy to answer your questions.

⁸ See *Cybersecurity Resources for Your Small Business* (Oct. 18, 2018), <https://www.ftc.gov/news-events/blogs/business-blog/2018/10/cybersecurity-resources-your-small-business>. These materials will soon be available in Spanish.