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Office of the Director
Bureau of Consumer Protection

Remarks of Samuel Levine at the FTC's Summit on Artificial Intelligence

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Thank you again for joining the FTC's first Technology Summit on artificial intelligence.¹ I've been so impressed by the thoughtful, in-depth conversations we've had around topics ranging from cloud infrastructure to privacy to AI-fueled fraud. And I'm so grateful to our Office of Technology for organizing this important event. Although formed less than a year ago, OT is already having a huge impact on the day-to-day work of our agency. In the bureau I lead, the Bureau of Consumer Protection, OT technologists are partnering with us on dozens of matters across many offices and divisions, and they are helping to ensure that our enforcement and policy work can meet this moment.

And let me be clear – this moment is unique. Chair Khan spoke earlier about the last major inflection point driven by emerging technology, at the dawn of Web 2.0 in the early 2000s. She noted how that era began with promise, with exciting new technologies and applications connecting people and expanding opportunities. But two decades on, we see a tech ecosystem that has concentrated private power in the hands of a small number of firms, while entrenching a business model built on constant surveillance of consumers.

Chair Khan stressed that we need to learn from our experience in that era, and I could not agree more. This learning is not an academic exercise. As we chart our course in confronting AI-related harms, we need to engage with the history of how we arrived at this moment.

A generation ago, in 2000, the FTC issued a major report finding that self-regulation on the then-nascent internet was failing to protect consumers' privacy, and the Commission recommended that Congress pass legislation.² Yet less than 18 months later, with a change in administration, the FTC reversed itself – finding “it is clear that industry will continue to make privacy a priority[,]” and warning that legislation would be premature and could hold back the growth of the internet.³ Instead, the FTC announced an initiative to ensure privacy policies were posted and honored, and to encourage industry self-regulation.

¹ The views expressed here are my own and do not necessarily represent the views of the Commission or any Commissioner. I am grateful to Barbara Chun for her substantial assistance in preparing these remarks.

² Press Release, FTC, FTC Recommends Congressional Action To Protect Consumer Privacy Online (May 22, 2000), <https://www.ftc.gov/news-events/news/press-releases/2000/05/ftc-recommends-congressional-action-protect-consumer-privacy-online>; FTC, PRIVACY ONLINE: FAIR INFORMATION PRACTICES IN THE ELETRONIC MARKETPLACE, A REPORT TO CONGRESS 36-38 (2000), <https://www.ftc.gov/sites/default/files/documents/reports/privacy-online-fair-information-practices-electronic-marketplace-federal-trade-commission-report/privacy2000.pdf>.

³ Timothy J. Muris, Former Chairman, FTC, Protecting Consumers' Privacy: 2002 and Beyond: Remarks at The Privacy 2001 Conference (Oct. 4, 2001), <https://www.ftc.gov/news-events/news/speeches/protecting-consumers->

In my view, this reversal was a serious error. It is now apparent that industry did not actually make privacy a priority. In fact, at the same time the FTC was expressing confidence in self-regulation, Google began exploring how it could mine search queries for behavioral insights on its users⁴ – laying the groundwork for a transformed business model, and ultimately a transformed internet.⁵

A decade later, the FTC would reverse itself once more– calling in 2012 for Congress to pass legislation⁶ – but by that time many of the harms Chair Khan described were already entrenched, and industry opposition to meaningful regulation had consolidated.

This history is very much top of mind as we confront the emerging threats and opportunities created by AI. Congress has entrusted us with ensuring that markets are fair and competitive, and we will not be sitting on the sidelines.

In the Bureau of Consumer Protection, we’ve been staying busy. We issued a major report in 2022 – months before generative AI became a hot topic – warning about inaccuracy, bias, and privacy abuses fueled by AI.⁷ In 2023 we began routinely issuing guidance on how our authorities apply to emerging AI technology, making clear that we were not going to wait and watch while harms accumulate.⁸ And as we’ve talked the talk with our guidance, we are walking

privacy-2002-beyond. See also John Schwartz, *F.T.C. Plans to Abandon New Bills On Privacy*, N.Y. TIMES, Oct. 3, 2001, <https://www.nytimes.com/2001/10/03/business/ftc-plans-to-abandon-new-bills-on-privacy.html>; Edmund Sanders, *FTC to Drop Push for More Privacy Laws*, L.A. TIMES, Oct. 2, 2001, <https://www.latimes.com/archives/la-xpm-2001-oct-02-fi-52289-story.html>; Jeffrey Benner, *FTC Refocuses Privacy Agenda*, WIRED, Oct. 5, 2001, <https://www.wired.com/2001/10/ftc-refocuses-privacy-agenda/>.

⁴ Jennifer 8. Lee, *Postcards from Planet Google*, N.Y. Times, Nov. 28, 2002, <https://www.nytimes.com/2002/11/28/technology/postcards-from-planet-google.html?smid=nytcore-ios-share&referringSource=articleShare>, cited in Shoshana Zuboff, *How Google Discovered the Value of Surveillance*, LONGREADS, Sept. 5, 2019, <https://longreads.com/2019/09/05/how-google-discovered-the-value-of-surveillance/>.

⁵ In some ways we see history repeating itself, with major firms rushing to change their privacy policies to make it easier for them to collect even more data from us and use it in new ways. Geoffrey A. Fowler, *Your Gmail and Instagram are training AI. There’s little you can do about it*, WASH. POST (Sept. 8, 2023), <https://www.washingtonpost.com/technology/2023/09/08/gmail-instagram-facebook-trains-ai/>.

⁶ Press Release, FTC, *FTC Issues Final Commission Report on Protecting Consumer Privacy*, (Mar. 26, 2012), <https://www.ftc.gov/news-events/news/press-releases/2012/03/ftc-issues-final-commission-report-protecting-consumer-privacy>; FTC, *PROTECTING CONSUMER PRIVACY IN AN ERA OF RAPID CHANGE – RECOMMENDATIONS FOR BUSINESSES AND POLICYMAKERS*, FTC REPORT (2012), <https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-commission-report-protecting-consumer-privacy-era-rapid-change-recommendations/120326privacyreport.pdf>.

⁷ Press Release, FTC, *FTC Warns About Using Artificial Intelligence to Combat Online Problems* (June 16, 2022), <https://www.ftc.gov/news-events/news/press-releases/2022/06/ftc-report-warns-about-using-artificial-intelligence-combat-online-problems>

⁸ Keep your AI claims in check, <https://www.ftc.gov/business-guidance/blog/2023/02/keep-your-ai-claims-check> (Feb. 27, 2023); Chatbots, deepfakes, and voice clones: AI deception for sale, <https://www.ftc.gov/business-guidance/blog/2023/03/chatbots-deepfakes-voice-clones-ai-deception-sale>; Watching the detectives: Suspicious marketing claims for tools that spot AI-generated content, <https://www.ftc.gov/business-guidance/blog/2023/07/watching-detectives-suspicious-marketing-claims-tools-spot-ai-generated-content> (July 6, 2023); Can’t lose what you never had: Claims about digital ownership and creation in the age of generative AI, <https://www.ftc.gov/business-guidance/blog/2023/08/cant-lose-what-you-never-had-claims-about-digital-ownership-creation-age-generative-ai> (Aug. 16, 2023).

the walk with our policy and enforcement strategy. We've now required across multiple cases that models trained on illegally collected data be deleted.⁹ We've brought lawsuits against firms that defraud the public by claiming AI can make people rich.¹⁰ We've partnered with the Office of Technology to launch a voice cloning challenge to confront new forms of impersonation fraud,¹¹ and we have proposed a rule to prohibit and deter the practice.¹² We've made clear that firms can't retain kids' data forever, even and especially to train models.¹³ And we've established that firms must either take steps to ensure their AI tools don't harm consumers, including by discriminating against them, or cease to use these tools altogether.¹⁴

None of this is to suggest that more resources and authority are not needed. But what should be clear is that we are using every tool – enforcement, rulemaking, education, market studies and more – to protect the public from emerging harms.

Our most important tool is our people – our multidisciplinary teams of world-class attorneys, economists, investigators, consumer education specialists, and technologists – and all of us benefit enormously from events like these that engage top experts from both inside and outside the government to better understand how AI is reshaping the marketplace. A generation from now, when a future Bureau Director – or their AI avatar – discusses the history of this era, I am confident they will recount an FTC that was active and engaged in ensuring that AI's promise can be harnessed for the benefit of *people*, rather than a handful of tech giants.

⁹ In re: X-Mode Social Inc., No. C-XXXX, (FTC Jan. 9, 2024) (Provision XIII.C), https://www.ftc.gov/system/files/ftc_gov/pdf/X-Mode-D%26O.pdf; US v. Kurbo Inc., 3:22-cv-00946 (N.D. Cal. 2022) (§II.D), https://www.ftc.gov/system/files/ftc_gov/pdf/wwkurbostipulatedorder.pdf; In re InMarket Media LLC, No. C-XXXX, (FTC Jan. 16, 2024) (Provision II.C), https://www.ftc.gov/system/files/ftc_gov/pdf/D%26O-InMarketMediaLLC.pdf; In re Rite Aid Corp., No. C-4308, (Prop. Admin. Order Provision II (Attach. A to Prop. Fed. Ct. Order)), https://www.ftc.gov/system/files/ftc_gov/pdf/2023190_riteaid_stipulated_order_filed.pdf.

¹⁰ Press Release, FTC, FTC Action Stops Business Opportunity Scheme That Promised Its AI-Boosted Tools Would Power High Earnings Through Online Stores (Aug. 22, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/08/ftc-action-stops-business-opportunity-scheme-promised-its-ai-boosted-tools-would-power-high-earnings>.

¹¹ FTC announces challenge to prevent harms of AI-enabled voice cloning, <https://www.ftc.gov/businessguidanceblog/2023/11/FTCannounceschallengetopreventtheharmsOfAIenabledvoicecloning> (Nov. 17, 2023).

¹² Press Release, FTC, FTC Proposes New Rule to Combat Government and Business Impersonation Scams (Sept. 15, 2022), <https://www.ftc.gov/news-events/news/press-releases/2022/09/ftc-proposes-new-rule-combat-government-business-impersonation-scams>.

¹³ Press Release, FTC, FTC Proposes Strengthening Children's Privacy Rule to Further Limit Companies' Ability to Monetize Children's Data (Dec. 20, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/12/ftc-proposes-strengthening-childrens-privacy-rule-further-limit-companies-ability-monetize-childrens>; Press Release, FTC, FTC and DOJ Charge Amazon with Violating Children's Privacy Law by Keeping Kids' Alexa Voice Recordings Forever and Undermining Parents' Deletion Requests, <https://www.ftc.gov/news-events/news/press-releases/2023/05/ftc-doj-charge-amazon-violating-childrens-privacy-law-keeping-kids-alexa-voice-recordings-forever>.

¹⁴ Aiming for truth, fairness, and equity in your company's use of AI, <https://www.ftc.gov/business-guidance/blog/2021/04/aiming-truth-fairness-equity-your-companys-use-ai> (Apr. 19, 2021); In re Rite Aid Corp., No. C-4308, (Prop. Admin. Order §I (prohibiting use of facial recognition or analysis systems)), https://www.ftc.gov/system/files/ftc_gov/pdf/2023190_riteaid_stipulated_order_filed.pdf.

Thank you again for joining us at this important summit. I'll now turn things back to Amritha.