

Chair Khan Opening Statement
House Committee on Appropriations
Subcommittee on Financial Services and General Government
United States House of Representatives
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Chairman Joyce, Ranking Member Hoyer, and members of the Subcommittee, thank you for inviting me to testify today. Chairman Joyce, congratulations on your appointment as Chair. I'm happy to share with you some of the critical work the FTC has advanced this past year and to discuss with you the Commission's budget request for fiscal year 2025. For every one dollar the FTC receives in funding, we provide *fourteen* dollars in benefits to the public. For the American people, there is no doubt that resourcing the FTC is an excellent return on investment. Of course, none of this work would be possible without the talented and dedicated staff of the FTC, whose hard work and fidelity to the FTC's mission protect Americans' pocketbooks, privacy, and economic liberty.

As American families continue to struggle with higher prices for daily necessities, the FTC's work helps ensure that Americans keep more of their paycheck. By protecting fair competition and preventing unlawful business practices, our work improves families' bottom lines and lowers costs—be it at the grocery store, the pharmacy counter, or the gas pump.

As part of that work, the FTC has initiated the largest crackdown on illegal telemarketing in our history, and consumer complaints have plummeted nearly 60 percent since 2021. As AI turbocharges scams, we're shutting down fraud affecting older Americans, veterans, and other underserved populations, including those recovering from opioid addiction.

The Commission is bringing all its tools to bear to protect Americans' privacy. Over the last year, we have taken on unscrupulous data brokers and issued bans on firms who exploit or endanger people's sensitive health or geolocation data, including by selling it to entities in China.

We also proposed a rule to strengthen kids' privacy online and to limit companies' ability to sell kids' data for profit.

The Commission has issued rules to address some of the most widespread consumer scams. We proposed a rule to protect Americans from hidden, deceptive junk fees that cheat them out of tens of billions of dollars each year—and finalized a rule requiring clear upfront pricing for cars, one of the biggest purchases Americans make. We proposed a “click to cancel” rule that will make it as easy to cancel a subscription as it is to sign up for one, freeing people from subscription traps. And we finalized a rule to protect Americans from government and business impersonation scams, which are becoming ever-more sophisticated with the adoption of AI.

We have been just as active in our competition work. Earlier this year, we challenged Kroger's acquisition of Albertsons, the largest supermarket deal in U.S. history, because we believed it would lead to higher grocery prices for millions of Americans. When we investigated Exxon's proposed merger with Pioneer, we found evidence that Pioneer's former CEO attempted to organize anticompetitive coordinated output reductions between US oil producers and OPEC+—potential collusion that could contribute to Americans paying more for gas. We also sued U.S. Anesthesia Partners for monopolizing anesthesiology services in Texas, a private equity driven scheme that cost Texans tens of millions of dollars each year.

We are paying close attention to anticompetitive practices that harm American consumers, workers, and our economy. In September, the Commission and a bipartisan group of 17 state attorneys general filed a lawsuit against Amazon, alleging that it engaged in monopolistic conduct that raised costs for families and businesses. We are also continuing to litigate a monopolization case against Facebook, brought by my predecessor during the Trump

administration. We have challenged improper patents listed by pharmaceutical companies, prompting several to take down these junk listings and open up the market to free competition. Because of the FTC's work, three of the four major inhaler manufacturers are slashing the price of inhalers from hundreds of dollars down to just \$35 for the millions of Americans who need them.

The Commission also recently finalized a rule to ban noncompete clauses, which prevent one in every five Americans from taking new jobs and starting their own business. Our rule would raise workers' wages and restore their economic liberty, while also creating thousands of new businesses and spurring innovation. We received a tremendous public response to this effort, including more than 26,000 comments from everyday Americans.

Over the last year, I have had the privilege of traveling across the country to hear people from all walks of life share how unchecked corporate power can undermine their core economic liberties. I learned from family farmers in Iowa, gig drivers in New York, community pharmacists in Philadelphia, grocery workers in Phoenix, and tech entrepreneurs in Silicon Valley. They came from different backgrounds and political persuasions, but they all had the same goal: to do an honest day's work on a level playing field, with the freedom to succeed on the merits of their talents and efforts.

I am incredibly proud of the FTC's work to help make good on that fundamental promise of America to its citizens—particularly when facing down deep-pocketed opponents who can wield near-infinite resources against us.

Unfortunately, the FTC's enacted budget for FY 2024 of \$425 million represented a 1 percent reduction from the previous year. The effect of this reduction, alongside a statutorily mandated 5 percent pay raise and higher non-pay costs resulting from inflation, means

significantly less to support the FTC's mission.

To support our efforts in FY 2025, the Commission is requesting \$535 million and 1,443 FTE, an increase of \$109 million and 55 FTE. This adjustment would fund mandatory pay increases for FY 2024 and anticipated increases for FY 2025, as well as other inflationary non-pay expenses and critical IT investments needed to maintain our enforcement work.

Our economy has evolved tremendously since Congress created the FTC more than a century ago. From Teddy Roosevelt to FDR, our leaders have long recognized that safeguarding economic liberty requires checking private monopolies. Today the FTC is firing on all cylinders to faithfully execute on its important mission—and to ensure that America's consumers, workers, businesses, and citizens all benefit from the opportunity and freedom that fair and honest competition provides.

Thank you for the opportunity to appear before you today. I'm happy to answer any questions.
