



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580

**Prepared Remarks of Chairman Joseph Simons¹
Hearing on “Oversight of the Federal Trade Commission”
Before the Committee on Commerce, Science, and Transportation
Subcommittee on Consumer Protection,
Product Safety, Insurance, and Data Security
United States Senate
November 27, 2018**

Chairman Moran, Ranking Member Blumenthal, and members of the Subcommittee, my name is Joe Simons, and I am the Chairman of the Federal Trade Commission. It is an honor to appear before you today, especially with my fellow Commissioners. The FTC is a highly productive and effective independent agency with a broad mission: to protect consumers and maintain competition. The FTC has a long history of bipartisanship, and we work hard to maintain that tradition.

I am going to focus my oral remarks today on data security and privacy. Year after year, these issues top the FTC’s list of consumer protection priorities. The Commission has challenged numerous privacy and security practices under Section 5 of the FTC Act. Our program in these areas—which includes enforcement, as well as consumer and business education—has been highly successful within the limits of our authority. But Section 5 is an imperfect tool.

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

In my view, we need more authority. I support data security legislation that would give us three things: (1) the ability to seek civil penalties to effectively deter unlawful conduct, (2) jurisdiction over non-profits and common carriers, and (3) the authority to issue implementing rules under the Administrative Procedure Act.

The Commission also urges Congress to consider enacting privacy legislation that would be enforced by the FTC. While we remain committed to vigorously enforcing existing privacy-related statutes, Congress may be able to craft legislation that would more seamlessly balance consumers' legitimate concerns regarding the collection, use, and sharing of their data, while providing flexibility to foster competition and innovation. This process understandably will involve difficult value judgments and tradeoffs that are appropriately left to Congress. No matter the specific privacy or data security laws Congress enacts, the Commission commits to using its extensive expertise and experience to enforce them vigorously and enthusiastically.

Irrespective of any new legislation, privacy and data security will continue to be a top enforcement priority, and we will use every tool in our existing arsenal to redress consumer harm to the extent we can. To date, the Commission has brought more than 60 cases alleging that companies failed to implement reasonable data security safeguards, as well more than 60 general privacy cases. Since I became Chairman, we have announced eight new enforcement actions; seven policy initiatives; a notice of proposed rulemaking to give active duty military consumers free credit monitoring; and the launch of our small business cybereducation campaign. We have no intention of slowing down.

The FTC also enforces the EU-U.S. Privacy Shield Framework, a mechanism that enables data to be legally transferred from Europe to the United States. Our commitment to support the Privacy Shield Framework is unwavering, and we will continue to enforce and uphold it.

Finally, let me mention one additional item. The FTC has a tradition of self-critical examination, and our public *Hearings on Competition and Consumer Protection in the 21st Century* are exploring whether we need to adjust our enforcement efforts, priorities, and policies in light of changes in the marketplace and new thinking. Issues we are discussing include whether we need to change the governing standard for antitrust enforcement, whether merger enforcement has been too lax, our remedial authority with respect to privacy and data security, and many others. The comments and discussions on these issues will inform the FTC's enforcement and policy priorities.

The FTC is committed to maximizing its resources to enhance its effectiveness in protecting consumers and promoting 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.