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Office of the Director
Bureau of Consumer Protection

PREPARED REMARKS FOR VENABLE ADVERTISING LAW SYMPOSIUM

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Good afternoon and thank you for having me here today. The Commission plays a vital role in making markets work by fostering competition, facilitating consumer choice, and promoting innovation.¹

The Trump-Vance Commission, under Chairman Ferguson’s leadership, is focused on making markets work by prioritizing pocketbook issues—returning money to consumers misled by bad actors and preventing deceptive or unfair practices that distort the market. For example, we are litigating two cases under the Better Online Sales Ticketing Act (or BOTS Act)² that will make it possible for consumers to obtain tickets to live events at reasonable prices.³ And we are not only continuing the Commission’s longstanding work to target fraudsters themselves,⁴ but we are also taking action against firms that facilitate dishonest merchants’ use (or misuse) of the U.S. payment system to obtain payments from consumers.⁵ And we are vigorously enforcing the Restore Online Shoppers’ Confidence Act (ROSCA)⁶—obtaining more than \$1.5 billion for consumers—and \$2.5 billion total—in our

¹ Timothy J. Muris, Chairman, Fed. Trade Comm’n, Prepared Remarks at the Fordham Corporate Law Institute’s 29th Annual Conference on International Law & Policy: The Interface of Competition & Consumer Protection 3-8 (Oct. 31, 2002), https://www.ftc.gov/sites/default/files/documents/public_statements/interface-competition-and-consumer-protection/021031fordham.pdf.

² 15 U.S.C. § 45c (BOTS Act).

³ Press Release, Fed. Trade Comm’n, FTC Sues Live Nation and Ticketmaster for Engaging in Illegal Ticket Resale Tactics and Deceiving Artists and Consumers about Price and Ticket Limits (Sept. 18, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-sues-live-nation-ticketmaster-engaging-illegal-ticket-resale-tactics-deceiving-artists-consumers>; Press Release, Fed. Trade Comm’n, FTC Takes Action Against Ticket Resellers for Using Illegal Tactics to Bypass Ticket Limit Protections in Violation of Better Online Ticket Sales Act (Aug. 18, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-takes-action-against-ticket-resellers-using-illegal-tactics-bypass-ticket-limit-protections>.

⁴ See, e.g., Press Release, Fed. Trade Comm’n, FTC Halts Illegal Debt-Relief Operation that Falsely Impersonated Businesses and the Government, Harming Consumers (July 21, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/07/ftc-halts-illegal-debt-relief-operation-falsely-impersonated-businesses-government-harming-consumers>; Press Release, Fed. Trade Comm’n, Defendants in IM Mastery Academy Scheme to Pay \$10.5 Million to Settle FTC Allegations (Sept. 4, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/defendants-im-mastery-academy-scheme-pay-105-million-settle-ftc-allegations>; Press Release, Fed. Trade Comm’n, Operators of Student Loan Forgiveness Scam Will Be Permanently Banned from Debt Relief Industry, Ordered to Turn Over Assets (Sept. 11, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/operators-student-loan-forgiveness-scam-will-be-permanently-banned-debt-relief-industry-ordered-turn>; Press Release, Fed Trade Comm’n, Seek Capital and CEO are Permanently Banned from Providing Business Financing, Other Services to Settle FTC Allegations (Nov. 17, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/11/seek-capital-ceo-are-permanently-banned-providing-business-financing-other-services-settle-ftc>.

⁵ Press Release, Fed. Trade Comm’n, Paddle Will Pay \$5 Million to Settle FTC Allegations of Unfair Payment-Processing Practices and Facilitation of Deceptive Tech-Support Schemes (June 16, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/06/paddle-will-pay-5-million-settle-ftc-allegations-unfair-payment-processing-practices-facilitation>; Press Release, Fed. Trade Comm’n, FTC Asks Court to Hold Payment Processors in Contempt for Systematically Violating 2015 Order (Jan. 13, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/01/ftc-asks-court-hold-payment-processors-contempt-systematically-violating-2015-order>.

⁶ 15 U.S.C. §§ 8401–8405 (ROSCA).

case against Amazon alone.⁷ Where we cannot obtain a settlement in the public interest, we do not hesitate to litigate, as we are doing against Ticketmaster,⁸ Uber,⁹ LA Fitness,¹⁰ and others.¹¹

While each of these program areas could warrant its own extensive remarks, I'd like to focus today on three issues that may be of particular interest to an audience interested in advertising: price transparency, privacy, and artificial intelligence (AI).

Promoting Price Transparency

It's a basic precept of economics that for markets to function, each party to a transaction must have information material to their decision.¹² Of course, information is costly and more information does not always improve outcomes, all else being equal.¹³ For example, consumers do not need to know the ins-and-outs of how their car engines function to drive a car. Indeed, providing auto purchasers with the nitty gritty about internal combustion would likely overwhelm and confuse them.

⁷ Press Release, Fed. Trade Comm'n, FTC Secures Historic \$2.5 Billion Settlement Against Amazon (Sept. 25, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-secures-historic-25-billion-settlement-against-amazon>. See also Press Release, Fed. Trade Comm'n, Cash Advance Company Cleo AI Agrees to Pay \$17 Million As Result of FTC Lawsuit Charging It Deceives Consumers (Mar. 27, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/03/cash-advance-company-cleo-ai-agrees-pay-17-million-result-ftc-lawsuit-charging-it-deceives-consumers>; Press Release, Fed. Trade Comm'n, Match Group Agrees to Pay \$14 Million, Permanently Stop Deceptive Advertising, Cancellation, and Billing Practices to Resolve FTC Charges (Aug. 12, 2025), <https://www.ftc.gov/news-events/news/press-releases/202508/match-group-agrees-pay-14-million-permanently-stop-deceptive-advertising-cancellation-billing>; Press Release, Fed. Trade Comm'n, Ed Tech Provider Chegg to Pay \$7.5 Million to Settle FTC Allegations Concerning Unlawful Cancellation Practices (Sept. 15, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ed-tech-provider-chegg-pay-75-million-settle-ftc-allegations-concerning-unlawful-cancellation>.

⁸ *Supra* note 2.

⁹ Press Release, Fed. Trade Comm'n, FTC Takes Action Against Uber for Deceptive Billing and Cancellation Practices (Apr. 21, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/04/ftc-takes-action-against-uber-deceptive-billing-cancellation-practices>.

¹⁰ Press Release, Fed. Trade Comm'n, FTC Sues LA Fitness for Making it Difficult for Consumers to Cancel Gym Memberships (Aug. 20, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-sues-la-fitness-making-it-difficult-consumers-cancel-gym-memberships>.

¹¹ See, e.g., Press Release, Fed. Trade Comm'n, FTC Alleges Sendit App and its CEO Unlawfully Collected Personal Data from Children, Deceived Users About Messages, Subscription Memberships (Sept. 29, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-alleges-sendit-app-its-ceo-unlawfully-collected-personal-data-children-deceived-users-about>; Press Release, Fed. Trade Comm'n, FTC, State of Nevada Take Action Against IM Mastery Academy for Deceiving Consumers (May 1, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/05/ftc-state-nevada-take-action-against-im-mastery-academy-deceiving-consumers>.

¹² See N. GREGORY MANKIW, PRINCIPLES OF MICROECONOMICS 457 (8th ed. 2018).

¹³ Howard Beales, Richard Craswell & Steven C. Salop, *The Efficient Regulation of Consumer Information*, 3 J. L. & ECON. 491 (1981).

Lack of transparency becomes a consumer protection problem only when a misrepresentation or failure to disclose misleads consumers acting reasonably under the circumstances.¹⁴ It comes down to a question—in Section 5 terms—of materiality: what affects the choices or conduct of consumers.¹⁵ The total price of a good or service is plainly material to most consumers. So while consumers do not need to understand engine mechanics to drive, they do need to know the full price of a car when deciding whether to purchase it. When market participants obscure pricing information, they prevent consumers from comparing products based on the key characteristic of price. Moreover, they hurt competitors that provide transparent pricing, distorting the market and the price system more broadly.

The law reflects and preserves this economic framework. With regard to prices, Section 5 of the FTC Act¹⁶ prohibits: (1) materially misleading consumers acting reasonably under the circumstances about fees or charges and (2) failing to clearly and conspicuously disclose upfront the total price consumers will pay for goods and services.¹⁷ ROSCA, meanwhile, prohibits enrolling consumers in subscriptions without their express informed consent, and failing to disclose all material terms of their subscriptions before consumers provide their payment information or get charged.¹⁸ The Commission is using all available tools—including law enforcement actions and rulemaking—to combat unfair and deceptive pricing, billing, and cancellation practices.

Our recent enforcement actions against Greystar, Instacart and Express Scripts (among others) showcase these efforts. In an action announced in December, we alleged that Greystar, the largest residential rental property owner and manager in the United States, violated Section 5 by misrepresenting the true cost of renting a property by excluding mandatory, fixed fees from the advertised rent.¹⁹ Our order requires Greystar to change its fee practices to: (1) transparently advertise the total rent, including all mandatory fees; (2) clearly and conspicuously make certain disclosures about all fees; and (3) stop

¹⁴ FTC Policy Statement on Deception, 103 F.T.C. 174, 177–81 (1984) (appended to *In re Cliffdale Assocs., Inc.*, 103 F.T.C. 110 (1984)), <https://www.ftc.gov/publicstatements/1983/10/ftc-policy-statement-deception>.

¹⁵ *Id.* at 188–92.

¹⁶ 15 U.S.C. § 45(a).

¹⁷ See, e.g., *Fed. Trade Comm'n v. Corpay, Inc.*, 164 F.4th 807, 834–37 (11th Cir. 2026) (finding violations of Section 5 for falsely representing that consumers would not pay any transaction fees and for insufficiently disclosing that consumers were not guaranteed to receive a certain per-gallon discount on fuel purchases); see also *Fed. Trade Comm'n v. Doxo, Inc.*, 771 F. Supp. 3d 1162, 1178–79 (W.D. Wash. 2025).

¹⁸ 15 U.S.C. §§ 8402–8403.

¹⁹ Press Release, Fed. Trade Comm'n, Greystar Agrees to Pay \$24 Million and Stop Deceptive Advertising Practices as a Result of FTC and Colorado Lawsuit Alleging the Firm Deceived Consumers About Rent Prices (Dec. 2, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/greystar-agrees-pay-24-million-stop-deceptive-advertising-practices-result-ftc-colorado-lawsuit>. The Commission further alleged that Greystar violated the Gramm-Leach-Bliley Act by using these false representations to induce consumers to provide their credit card or bank account information to pay nonrefundable application fees.

misrepresenting the total rent and other fees. Our order also requires Greystar to pay \$23 million in consumer redress and \$1 million to our state co-plaintiff for costs and fees.

Also in December, we announced a settlement with Instacart, resolving allegations that the grocery delivery company falsely advertised “free delivery,” falsely promised consumers a “100% satisfaction guarantee,” and failed to clearly and conspicuously disclose the terms of its Instacart+ membership service before enrolling consumers in paid subscriptions.²⁰ Our order prohibits the company from misleading consumers about the cost of delivery services and requires Instacart to pay \$60 million in refunds to consumers who were wrongfully charged for subscriptions.

Rental housing in *Greystar*, groceries in *Instacart* and transportation in our price transparency litigation against ride-hailing platform Uber.²¹ You’ll see a theme here: The Trump-Vance Commission is working hard to give American consumers a fair shake when it comes to the costs of everyday life. And for that reason, the Commission is also working to promote price transparency in healthcare. On February 4, 2026, the Commission secured a landmark settlement with Express Scripts, Inc., and its affiliated entities (collectively “ESI”) regarding their formulary practices.²² While the complaint includes an allegation of unfair competition, the core of the complaint is about consumer protection, with two of three counts alleging unfair practices in violation of Section 5.

ESI is truly a landmark settlement. As part of our settlement, ESI agreed to fundamental changes to its business practices, which will increase transparency and drive down patients’ out-of-pocket costs for drugs like insulin by up to \$7 billion over 10 years.²³ Among other things, ESI must ensure that out-of-pocket costs to patients like deductibles

²⁰ Press Release, Fed. Trade Comm’n, Instacart to Pay \$60 Million in Consumer Refunds to Settle FTC Lawsuit Over Allegations It Engaged in Deceptive Tactics (Dec. 18, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/instacart-pay-60-million-consumer-refunds-settle-ftc-lawsuit-over-allegations-it-engaged-deceptive>.

²¹ We are also currently litigating a case against Uber for allegedly charging consumers for subscriptions without their consent, failing to deliver promised savings, and making it difficult for consumers to cancel the subscriptions. See *Uber* Press Release, *supra* note 8. According to the Commission’s complaint, Uber charged consumers for a \$10 per month or \$96 per year subscription plan, without consumers knowing about it. We allege that Uber was taking the payment method its users saved to book rides and using it to pay for subscriptions they never signed up for. For consumers who figured it out, Uber allegedly made it hard for them to cancel or didn’t let them cancel at all, in violation of ROSCA. At the end of the year, 21 states and the District of Columbia joined us in filing an amended complaint seeking civil penalties. Press Release, Fed. Trade Comm’n, FTC and States File Amended Complaint Against Uber for Deceptive Billing and Cancellation Practices (Dec. 15, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-states-file-amended-complaint-against-uber-deceptive-billing-cancellation-practices>.

²² Press Release, Fed. Trade Comm’n, FTC Secures Landmark Settlement with Express Scripts to Lower Drug Costs for American Patients (Feb. 4, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/02/ftc-secures-landmark-settlement-express-scripts-lower-drug-costs-american-patients>.

²³The settlement also requires ESI to transparently disclose any payments it makes to consultants, brokerages, or other middlemen that are also working for employers, which will discourage conflicts of interest on the part of the consultants and limit the consultants’ ability to “steer” employers to plans with higher costs.

and coinsurance are based on post-rebate—or net—drug prices, rather than artificially inflated list prices. Not only will patients benefit from these rebates at the point of sale when they buy their prescriptions at the pharmacy counter, but by delinking ESI’s incentives from the list price the order should decrease the upward pressure on drug prices that ESI’s rebate practices were causing. ESI must also make additional drug-cost disclosures to plan sponsors and provide all information necessary to comply with the Transparency in Coverage regulations from CMS, Labor, and Treasury, so that insurers have the pharmacy data they need to publish required transparent price information.²⁴

In addition to bringing enforcement actions, we have engaged in rulemaking related to price transparency. Let me take a moment to share my views on rulemaking more generally. I am no friend to sweeping, economy-wide rules that lack empirical grounding or displace Congress’s Constitutionally-granted role as the legislative branch. As former Commissioner Holyoak’s Chief of Staff, I helped to write more than one strong dissenting statement opposing a Biden-Harris rulemaking that lacked legal and empirical basis and was poised to remake broad swaths of the economy—as with the ill-conceived and ill-fated Noncompete Rule.²⁵ Attempting to remake the economy in a central planner’s vision serves only to undermine the consumer sovereignty that is the foundation of our market-based economy. I emphatically oppose that dangerous, unauthorized brand of rulemaking.

The does not mean, however, that I am opposed, as a rule, to all rules. To the contrary, I support narrowly-tailored rules based on strong empirical evidence, where Congress has given the Commission authority to address harms to consumers, and where the rulemaking aims to solve a clearly defined market failure.²⁶

²⁴ Transparency matters to consumers not only as to price—but also as to earnings. In February, we announced a \$100 million settlement with Walmart to resolve allegations that it was deceiving drivers about earnings they could receive delivering goods for its Spark Driver delivery service. The complaint alleges that Walmart violated Section 5 of the FTC Act and the Gramm-Leach-Bliley Act by routinely failing to pay promised base pay, tips, and incentive payments to drivers for delivery jobs they completed on Walmart’s Spark Driver platform. The settlement bars bait-and-switch pay practices and requires greater accountability and transparency concerning driver earnings. Press Release, Fed. Trade Comm’n, Walmart Agrees to \$100 Million Judgment to Settle FTC, States’ Charges Over Deceptive Earnings Claims Related to the Company’s Spark Driver Delivery Service (Feb. 26, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/02/walmart-agrees-100-million-judgment-settle-ftc-states-charges-over-deceptive-earnings-claims-related>.

²⁵ See Dissenting Statement of Comm’r Melissa Holyoak Joined by Comm’r Andrew N. Ferguson, *In re Non-Compete Clause Rule*, Matter Number P201200 (June 28, 2024), <https://www.ftc.gov/system/files/ftc.gov/pdf/2024-6-28-commissioner-holyoak-nc.pdf>; see also Dissenting Statement of Andrew N. Ferguson Joined by Comm’r Melissa Holyoak, *In re Non-Compete Clause Rule*, Matter Number P201200 (June 28, 2024), <https://www.ftc.gov/system/files/ftc.gov/pdf/ferguson-noncompete-dissent.pdf>.

²⁶ Indeed, a properly crafted rulemaking considers the cost and benefits of a rule, establishes a baseline understanding of the marketplace, and applies assumptions symmetrically across policy options. On the importance of symmetric assumptions in analyzing policy regimes, see Thomas W. Hazlett, David Porter & Vernon Smith, *Radio Spectrum and the Disruptive Clarity of Ronald Coase*, 54 J. L. & ECON. S126, S156 (“What Coase fundamentally contributed was a symmetric analysis of property regime choices, explaining that the costs of the price system were real, but so were the costs of any alternative Coase argued for analytical

That brings me back to rulemaking on price transparency.

In light of the evidence of prevalent unfair and deceptive practices in the rental housing industry, the Commission has initiated a rulemaking proceeding to address unfair or deceptive fee practices in the rental housing industry through an Advanced Notice of Proposed Rulemaking (“ANPRM”). Housing affordability is of tremendous concern to American consumers, 35% of whom rent their homes.²⁷ A Commission rule codifying prohibitions against, or limitations on, certain kinds of prevalent unfair or deceptive rental fee practices—including those that we alleged in the *Greystar* case—would further President Trump’s agenda to reduce the cost of housing for Americans, protect consumers, foster competition, and bring greater price transparency and efficiency to the marketplace. Although the scope of any potential rule will be determined through the rulemaking process, I expect the process to consider practices such as advertising rent that fails to include all mandatory fees and charges, imposing fees and charges without express informed consent, and misleading consumers about the nature and purpose of fees and charges.

Lastly, we are also initiating a rulemaking to consider amending the agency’s Rule Concerning the Use of Prenotification Negative Option Plans, commonly known as the Negative Option Rule.²⁸ The agency is seeking public comment from interested stakeholders to determine whether and how the Commission should use its authority to address negative option marketing, including whether the agency should revisit its efforts to amend the current Rule to address problematic practices.

Protecting Consumer Privacy, Especially Children Online

A few minutes ago, I explained the legal and policy reasons for requiring price transparency: price matters to consumers. What about privacy? Does it similarly matter to consumers?

Unlike price, privacy is often a secondary characteristic.²⁹ With respect to many products, people may not make purchasing decisions on privacy, as they do with primary

symmetry on logical grounds.”), discussing R. H. Coase, *The Problem of Social Cost*, 3 J. L. & ECON. 1 (1960) and R. H. Coase, *The Federal Communications Commission*, 2 J. L. & ECON. 1 (1959).

²⁷ See Manny Garcia, *Renters: Results from the Zillow Consumer Housing Trends Report 2025*, ZILLOW, INC. (Oct. 27, 2025), <https://www.zillow.com/research/renters-housing-trends-report-2025-35647/>.

²⁸ Press Release, Fed. Trade Comm’n, FTC Seeks Public Comment in Response to Advance Notice of Proposed Rulemaking Regarding Negative Option Marketing Practices (Mar. 11, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/03/ftc-seeks-public-comment-response-advance-notice-proposed-rulemaking-regarding-negative-option?utm_source=govdelivery.

²⁹ Relatedly, some economists have noted that, at least in some contexts, consumers do not appear to place a high economic value on privacy. See, e.g., James C. Cooper & Joshua D. Wright, *The Missing Role of Economics in FTC Privacy Policy*, in CAMBRIDGE HANDBOOK OF CONSUMER PRIV. 465, 468 (Evan Selinger, Jules Polonetsky & Omer Tene eds., 2018) (noting that economic literature indicates that consumers are generally “willing to provide personal information for small amounts of compensation, or, alternatively, are only willing to pay very little to avoid personal data collection”).

characteristics, such as price or function.³⁰ Where privacy is a secondary characteristic, representations about privacy may be less likely to be material to consumers. It is therefore critical that we understand when privacy representations matter to consumers and when harm from data practices outweighs benefits.³¹

Under Chairman Ferguson’s leadership, we are reinvigorating the Commission’s economic rigor, especially as we consider privacy in a world increasingly powered by data. At the end of February, the Commission held a workshop on consumer injuries and benefits in the data-driven economy to develop more empirical evidence regarding injuries and benefits.³² This workshop built on the work first began under the first Trump administration to evaluate “informational injury.”³³

Panelists at our February workshop presented empirical work and policy considerations related to measuring injuries and benefits, including as they relate to personalization and behavioral advertising. For example, some panelists discussed the benefits of behavioral advertising in funding content on the Internet and the value of personalization in helping consumers find products that they prefer (such as, by one measure, that individuals return products they purchased less frequently when a site offers personalized product offerings).³⁴ Another panelist highlighted the need for empirical work to explore whether personalized pricing could lead to collusion or extract consumer surplus.³⁵ One panelist discussed the benefits of information collection by insurers—and the feedback that such programs provide to drivers about driving habits—in reducing accidents.³⁶

³⁰ Of course, this is not universally true. For some products, privacy is advertised as a core attribute of the product.

³¹ Cf. James C. Cooper, *Does Privacy Want to Unravel?*, 37 HARVARD J. L. & TECH. 1040, 1054–55 (2024) (observing that it is unclear whether consumers are willing to trade privacy based on rationale, informed decisions or whether such trades can be attributed to informational problems).

³² Fed. Trade Comm’n, *Consumer Injuries and Benefits in the Data-Driven Economy* (Feb. 26, 2026), <https://www.ftc.gov/news-events/events/2026/02/consumer-injuries-benefits-data-driven-economy>.

³³ Fed. Trade Comm’n, *Informational Injury Workshop* (Dec. 12, 2017), <https://www.ftc.gov/news-events/events/2017/12/informational-injury-workshop>.

³⁴ See Malika Korganbekova & Cole Zuber, *Balancing User Privacy and Personalization 2* (2023), <https://marketing.wharton.upenn.edu/wp-content/uploads/2023/10/11.09.2023-Korganbekova-Malika-PAPER-JMP.pdf> (also finding that enabling personalized marketing nearly doubled the revenue of smaller and niche sellers).

³⁵ Ginger Zhe Jin, Liad Wagman & Mengyi Zhong, *Surveillance Pricing: A Cautionary Summary of Potential Harms and Solutions*, COMPETITION POL’Y INT’L (July 14, 2025), <https://www.pymnts.com/cpi-posts/surveillance-pricing-a-cautionary-summary-of-potential-harms-and-solutions>. But see Bruce Kobayahi & Timothy J Muris, *Stop Making Sense: Reviving the Robinson-Patman Act and the Economics of Intermediate Price Discrimination*, Competitive Enterprise Institute (Feb 2026).

³⁶ See Omri Ben-Shahar, *Privacy Protection, At What Cost? Exploring the Regulatory Resistance to Data Technology in Auto Insurance*, 15 J. LEGAL ANALYSIS 129, 130–31 (2023) (touting the benefits of telematic devices used by auto insurers, including fewer automotive fatalities and potentially eliminating the use of “sometimes

Panelists also noted the long-present but ever-increasing interface between competition and consumer protection concerns in the data-driven economy.³⁷ For example, one panelist highlighted how personalization may affect switching costs—*i.e.*, I may not want to switch to another platform that doesn’t “know” me as well as the platform that has highly personalized my experience.³⁸ Another panelist noted that small businesses disproportionately benefit from behavioral advertising; limits on behavioral advertising could entrench dominant players and impede market entry;³⁹ and how data-intensive practices often have a profound effect on competition, with economic research generally indicating that a free flow of data fosters competition.⁴⁰

I encourage all of you to view the video, available on our website,⁴¹ from this fascinating workshop.

I am often asked about the Bureau’s privacy priorities. Our priorities are set by Congress: in addition to Section 5 of the FTC Act, we enforce specific laws such as the Children’s Online Privacy Protection Act (“COPPA”),⁴² the Fair Credit Reporting Act (“FCRA”),⁴³ and the Protecting Americans’ Data from Foreign Adversaries Act (“PADFAA”).⁴⁴ Indeed, only a few weeks ago, we sent letters to 13 data brokers warning them of their responsibility to comply with PADFAA,⁴⁵ which prohibits data brokers from selling, releasing, disclosing, or providing access to personally identifiable sensitive data about Americans to

problematic social-demographic rating factors” such as marital status or education, which are currently used as proxies for insurance risk).

³⁷ See generally Muris remarks, *supra* note 1.

³⁸ See Michael R. Baye & Jeffrey T. Prince, *The Economics of Digital Platforms: A Guide for Regulators*, in THE GLOBAL ANTITRUST INSTITUTE REPORT ON THE DIGITAL ECONOMY 1250, 1273 (Global Antitrust Inst. 2020).

³⁹ See also J. Howard Beales & Andrew Stivers, *An Information Economy Without Data* 8–9, 25–26 (2022), <https://www.privacyforamerica.com/wp-content/uploads/2022/11/Study-221115-Beales-and-Stivers-Information-Economy-Without-Data-Nov22-final.pdf> (summarizing literature which found that access to personalized data is critical to small or niche businesses that depend on personalized data to find their consumers, whereas larger firms may rely on their “first-party ecosystems for data collection”).

⁴⁰ See *id.* at 22–23 (“Numerous economic studies have shown that restrictions on advertising increase prices to consumers, even when advertising does not mention price. . . . The critical factor is the general competitive effects of advertising, rather than the specific effects of price advertising.”). Several studies have also highlighted the consumer benefits from firms’ access to personalized data. See Jean-Pierre Dubé et al., *The Intended and Unintended Consequences of Privacy Regulation for Consumer Marketing*, 44 Mktg. Sci. 975, 977 (2025) (summarizing studies that have found that personalization increased diversity in digital music consumed, lowered prices for lower-income consumers, and enabled California to double food stamp enrollment through a personalized marketing campaign).

⁴¹ Fed. Trade Comm’n, *Consumer Injuries and Benefits in the Data-Driven Economy* (Feb. 26, 2026), <https://www.ftc.gov/news-events/events/2026/02/consumer-injuries-benefits-data-driven-economy>.

⁴² 15 U.S.C. §§ 6501–6506 (COPPA); 16 C.F.R. Part 312 (COPPA Rule).

⁴³ 15 U.S.C. §§ 1681–1681x (FCRA).

⁴⁴ 15 U.S.C. § 9901 (PADFAA).

⁴⁵ Press Release, Fed. Trade Comm’n, *FTC Reminds Data Brokers of Their Obligations to Comply with PADFAA* (Feb. 9, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/02/ftc-reminds-data-brokers-their-obligations-comply-padfaa>.

any foreign adversaries, which include North Korea, China, Russia, and Iran, or any entity controlled by those countries.

Among these privacy priorities, protecting kids online has been and will remain at the top, for both legal and policy reasons. With COPPA, Congress expressly empowered the Commission to protect the privacy of children’s information and promote parental decision making. As Chairman Ferguson noted in his opening remarks at our Age Verification Workshop in January, COPPA is not only the law, but it is also good policy, because by empowering parents, COPPA promotes the flourishing of ordinary families in our society—the backbone of our polity.⁴⁶

The Commission has brought a series of law enforcement actions—*Iconic Hearts*, *Apitor*, *Pornhub*, and *Disney*—that highlight our commitment to protecting children online. For example, in *Iconic Hearts*, which is currently in litigation in federal district court, we alleged that the operator of the Sendit anonymous messaging app violated the COPPA Rule by collecting personal information from children without notifying parents or obtaining their consent.⁴⁷ Our complaint also alleges violations of Section 5 and ROSCA. In *Apitor*, we alleged that the maker of connected toys violated the COPPA Rule by failing to notify parents and obtain their consent before collecting personal information from children and sharing it with a third party in China.⁴⁸ And in *Pornhub*, we alleged that the operators of pornographic sites deceived users about efforts to crack down on child sexual abuse material and nonconsensual sexual content.⁴⁹

Our law enforcement efforts related to children connect to another critically important topic in the child protection space: Age verification. In a COPPA action against Disney last year, we alleged that Disney failed to properly label certain videos it uploaded to YouTube, resulting in YouTube collecting personal information from children without notifying parents or obtaining their consent.⁵⁰ To address these alleged COPPA violations,

⁴⁶ Fed. Trade Comm’n, Age Verification Workshop, Tr. at 3, (Jan. 28, 2026), https://www.ftc.gov/system/files/ftc_gov/pdf/age-verification-workshop-transcript.pdf [hereinafter “Ferguson Opening Remarks”].

⁴⁷ Press Release, Fed. Trade Comm’n, FTC Alleges Sendit App and its CEO Unlawfully Collected Personal Data from Children, Deceived Users About Messages, Subscription Memberships (Sept. 29, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-alleges-sendit-app-its-ceo-unlawfully-collected-personal-data-children-deceived-users-about>.

⁴⁸ Press Release, Fed. Trade Comm’n, FTC Takes Action Against Robot Toy Maker for Allowing Collection of Children’s Data without Parental Consent (Sept. 3, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-takes-action-against-robot-toy-maker-allowing-collection-childrens-data-without-parental-consent>.

⁴⁹ Press Release, Fed. Trade Comm’n, FTC Takes Action Against Operators of Pornhub and other Pornographic Sites for Deceiving Users About Efforts to Crack Down on Child Sexual Abuse Material and Nonconsensual Sexual Content (Sept. 3, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-takes-action-against-operators-pornhub-other-pornographic-sites-deceiving-users-about-efforts>.

⁵⁰ Press Release, Fed. Trade Comm’n, Disney to Pay \$10 Million to Settle FTC Allegations the Company Enabled the Unlawful Collection of Children’s Personal Data (Sept. 2, 2025), <https://www.ftc.gov/news->

the Commission’s order imposed a \$10 million penalty and requires Disney to review every video published to YouTube to ensure it is properly labeled as made for kids. However, the order permits Disney to sunset this review program if YouTube implements age verification technology that can ensure COPPA compliance.

In this way, our order incentivizes the development and adoption of age verification technologies. Indeed, as Chairman Ferguson said in our recent Age Verification Workshop, we empower parents not only by vindicating their choices through COPPA, but also by ensuring that parents can benefit from innovation in age verification technologies.⁵¹ Our Age Verification Workshop convened stakeholders to discuss the importance of this technology and how to mitigate implementation issues related to accuracy, privacy, ease of circumvention, and other issues.⁵²

And at the end of February, the Commission issued a COPPA enforcement policy statement to incentivize the use of age verification technologies.⁵³ COPPA—a statute designed to empower parents and protect children online—should not be an impediment to age verification, the most child-protective technology to emerge in decades. In some (ill-informed) quarters, this enforcement policy statement has been received erroneously as an indication of a reduction in COPPA enforcement. This could not be further from the truth. As our actions over the past year show, we are vigorously enforcing COPPA and Section 5 to protect children online. The statement merely resolves any perceived tension between COPPA and child-protective age verification technologies. Rather than suggesting any reduction in online protection for children, the statement showcases the Commission’s important work to protect children online both through vigorous federal law enforcement and by incentivizing the use of valuable technical tools that state laws increasingly require.⁵⁴

To be very clear, we will take aggressive action against any company that seeks to benefit from the COPPA enforcement policy statement but does not follow its requirements. Paraphrasing the statement: An operator implementing Age Verification must not use or disclose information collected for Age Verification for any other purpose. They must only disclose such information to a third party that the operator has confirmed can secure it and maintain its confidentiality, and obtain assurance in writing that the third party will employ

events/news/press-releases/2025/09/disney-pay-10-million-settle-ftc-allegations-company-enabled-unlawful-collection-childrens-personal.

⁵¹ Ferguson Opening Remarks, *supra* note 46 at 2-5.

⁵² Fed. Trade Comm’n, *Age Verification Workshop* (Jan. 28, 2026), <https://www.ftc.gov/news-events/events/2026/01/age-verification-workshop>.

⁵³ Fed. Trade Comm’n, Press Release, FTC Issues COPPA Policy Statement to Incentivize the Use of Age Verification Technologies to Protect Children Online (Feb. 25, 2026), <https://www.ftc.gov/news-events/news/press-releases/2026/02/ftc-issues-coppa-policy-statement-incentivize-use-age-verification-technologies-protect-children>.

⁵⁴ See *id.* (“To help parents navigate the challenges associated with their children’s online activities, some states have started requiring some websites and online services to use age verification mechanisms to help determine the age of users.”).

reasonable measures to do so, will not use the information for any other purpose, and will delete the information after completing the Age Verification. The operator must not retain the information any longer than needed to complete the Age Verification, and it must provide notice to parents and children in its privacy policy of the information collected. The operator must also employ reasonable security for the Age Verification information collected, and, finally, take reasonable steps to ensure the Age Verification method is likely to provide reasonably accurate results.⁵⁵

Protecting Consumers by Promoting Innovation in Artificial Intelligence

The last topic I'd like to address is artificial intelligence. As Chairman Ferguson has noted, a top priority of the Trump-Vance Commission is promoting innovation in American AI.⁵⁶ Taking the right approach to this new technology is critical to our nation's competitiveness in the global market.

For any new marketplace, addressing deception is critical to fostering broad adoption. The Commission's recent actions in *Air.AI*, *Workado*, and *Cleo AI*⁵⁷ illustrate this pro-growth approach. For example, our complaint in the *Air.AI* matter alleges the defendants advertised their flagship feature as "conversational AI," claiming it could replace human customer service representatives.⁵⁸ However, our lawsuit alleges that consumers did not earn the promised profits or even make back the money they paid to defendants.

The Commission alleged similarly deceptive conduct in *Workado*. In that complaint, the Commission alleged that the company marketed its AI Content Detector as able to detect—with nearly 99% accuracy—whether AI was behind a particular piece of writing.⁵⁶ According to the complaint, *Workado* claimed its product was developed using a wide range of material, including blog posts and Wikipedia. In fact, the complaint alleged that the model powering the AI Content Detector was trained or fine-tuned to effectively classify only academic content—making the product's true accuracy no better than a coin flip.⁵⁹

⁵⁵ Fed. Trade Comm'n, COPPA – Enforcement Policy Statement Promoting the Adoption of Age-Verification Technology (2026), https://www.ftc.gov/system/files/ftc_gov/pdf/coppa-age-verification-policy-statement.pdf.

⁵⁶ Andrew N. Ferguson, Chairman, Fed. Trade Comm'n, Remarks at the 2025 International Competition Network Annual Conference: Competition in the 21st Century: Heeding the Rallying Cry for Deregulation (May 7, 2025), https://www.ftc.gov/system/files/ftc_gov/pdf/chairman-ferguson-2025-icn-remarks.pdf.

⁵⁷ Press Release, Fed. Trade Comm'n, Cash Advance Company Cleo AI Agrees to Pay \$17 Million As Result of FTC Lawsuit Charging It Deceives Consumers (Mar. 27, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/03/cash-advance-company-cleo-ai-agrees-pay-17-million-result-ftc-lawsuit-charging-it-deceives-consumers>.

⁵⁸ Press Release, Fed. Trade Comm'n, FTC Sues to Stop Air AI from Using Deceptive Claims about Business Growth, Earnings Potential, and Refund Guarantees to Bilk Millions from Small Businesses (Aug. 25, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-sues-stop-air-ai-using-deceptive-claims-about-business-growth-earnings-potential-refund>.

⁵⁹ The complaint alleges that *Workado* represented that its AI Content Detector could detect the use of AI with 98.3% accuracy, despite internal testing that showed that it was correct only 53.2% of the time for non-

Importantly, taking the right approach sometimes requires correcting course. The Commission recently had to do just that—right the ship to correct a dangerous course set by the Biden-Harris Commission. In December, the Commission issued an order to reopen and set aside a 2024 final consent order involving Rytr LLC.⁶⁰ Setting aside the order is part of the Commission’s efforts, consistent with President Trump’s AI Action Plan, to reassure the nascent AI industry that the Commission has turned the page on burdening lawful innovation.

Specifically, the Biden-Harris Commission alleged that Rytr’s service provided the means and instrumentalities for others to deceive consumers and unfairly generated large numbers of reviews without regard for accuracy. As the Commission’s re-opening order lays out, neither theory was grounded in the law. The Commission’s means and instrumentalities allegation failed to plead any theory recognized by courts: it did not allege that Rytr provided deceptive marketing materials or an inherently unfair or deceptive product to others, or that Rytr knew or had reason to know that any person to whom it provided its service would use it to violate Section 5.⁶¹ Similarly, in support of its unfairness count, the complaint failed to allege facts sufficient to support a likelihood of injury, and failed to account for the obvious countervailing benefits AI provides.

Condemning a technology or service simply because it potentially *could* be used in a problematic manner is inconsistent with the law and ordered liberty. Such action posed a grave threat to the development of American AI. We have righted course towards a pro-consumer, pro-competitive innovation in American AI.

In these remarks, I’ve focused on price transparency, protecting kids online, and promoting innovation in AI. To conclude, I’d like to highlight a project that ties each of these threads together: the Commission’s study on AI chatbots acting as companions to children

academic content. Complaint ¶¶ 9.B–C, 14, *In re Workado, LLC f/k/a Content At Scale AI*, File. No. 232-3092 (F.T.C. Aug. 28, 2025), https://www.ftc.gov/system/files/ftc_gov/pdf/complaint.pages_from_232_3092_-_content_at_scale_ai_consent_package_without_signatures.pdf.

⁶⁰ Press Release, Fed. Trade Comm’n, FTC Reopens and Sets Aside Rytr Final Order in Response to the Trump Administration’s AI Action Plan (Dec. 22, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-reopens-sets-aside-rytr-final-order-response-trump-administrations-ai-action-plan>. See Dissenting Statement of Commissioner Andrew N. Ferguson Joined by Commissioner Melissa Holyoak, *In re Rytr LLC*, Matter No. 2323052 (Sept. 25, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/ferguson-rytr-statement.pdf; Dissenting Statement of Commissioner Melissa Holyoak Joined by Commissioner Andrew N. Ferguson, *In re Rytr LLC*, Matter No. 2323052 (Sept. 25, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/holyoak-rytr-statement.pdf.

⁶¹ See, e.g., *Regina Corp. v. Fed. Trade Comm’n*, 322 F.2d 765, 767-68 (3d Cir. 1963) (upholding order against supplier that provided deceptive price lists to retailers); *Gellman v. Fed. Trade Comm’n*, 290 F.2d 666, 667-68 (8th Cir. 1961) (upholding order against defendant that sold unfair product for distribution to consumers); *Waltham Watch Co. v. Fed. Trade Comm’n*, 318 F.2d 28, 32 (7th Cir. 1963) (upholding order against trademark owner that knew from complaints that the trademark was being used by licensees to deceive others that products were still being made by in Massachusetts by Waltham Watch Co.).

and teens.⁶² The Commission has issued orders under Section 6(b) of the FTC Act⁶³ to seven companies that have developed AI-powered chatbots: Alphabet, Character Technologies, Instagram, Meta Platforms, OpenAI, Snap, and X.AI. The Commission is seeking to understand how companies evaluate and monitor the potentially negative impacts of the technology on children and teens. Critically, the study will increase transparency about how firms develop chatbots used by kids and teens, without depressing innovation in AI. In the case of nascent industries like AI, the Commission must be objective to ensure it balances innovation against potential harms. The Commission's Section 6(b) authority has historically been a valuable tool in instances like this to help ensure we are effectively using our resources and fulfilling the priorities Congress has set. And that is how we intend to approach this 6(b).

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Thank you for the opportunity to speak today. I look forward to your questions.

⁶² Press Release, Fed. Trade Comm'n, FTC Launches Inquiry into AI Chatbots Acting as Companions (Sept. 11, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-launches-inquiry-ai-chatbots-acting-companions>.

⁶³ 15 U.S.C. § 46(b).