

February 16, 2021

Hon. Chris Van Hollen, Chairman
Committee on Appropriations, Subcommittee
on Financial Services and General
Government, U.S. Senate

Hon. Cindy Hyde-Smith, Ranking Member
Committee on Appropriations,
Subcommittee on Financial Services and
General Government, U.S. Senate

Hon. Mike Quigley, Chairman
Committee on Appropriations, Subcommittee
on Financial Services and General
Government, U.S. House of Representatives

Hon. Steve Womack, Ranking Member
Committee on Appropriations,
Subcommittee on Financial Services and
General Government, U.S. House of
Representatives

Re: Providing Resources for the Federal Trade Commission to Promote Healthy Digital Markets and U.S. Leadership in Technology Governance

Dear Chairman Van Hollen, Chairman Quigley, Ranking Member Hyde-Smith, Ranking Member Womack, and Members of the Appropriations Committees:

On behalf of the undersigned organizations, we urge you to provide increased resources for the Federal Trade Commission so that the agency can respond to growing demands and fulfill its mission of protecting consumers and promoting competition in the digital age.

Notably, the Commission is one of the two primary agencies of the federal government, along with the U.S. Department of Justice Antitrust Division, charged with addressing complex technical and legal questions at the intersection of privacy, competition, and consumer protection. Unfortunately, even as significant new demands have been put on the Commission, its budget authority has remained relatively flat. Over the past decade, the agency reported an increase of over 100 percent for consumer complaints, and an increase in premerger filings of over 75 percent. It has recently increased its enforcement activity too, bringing a much higher number of cases in 2020 as compared to prior years. A recent financial report by the Commission noted, “constraints from stagnant financial resources are further magnified by increasing costs and rising expectations from the American public.”

To address this institutional gap, we urge you to provide a significant increase to the Commission’s gross budget authority for FY 2021. We expect that even a substantial increase would have a minimal impact on the national debt, considering the revenue generating activities of the Commission. Additionally, to minimize the burden on taxpayers, Congress should consider increasing the authorized limit for offsetting collections, and adjust HSR fees with indexing to inflation.¹

Furthermore, we ask you to offer guidance for the Commission to allocate its increased budget. The Commission should prioritize the hiring of additional expert staff, including

¹ See, e.g., The Merger Filing Fee Modernization Act of 2019, S. 1937, 116th Congress, <https://www.congress.gov/bill/116th-congress/senate-bill/1937>.

engineers, economists, and technologists, as well as resources for the management and support functions necessary to support increased scale. These new roles could help address capacity gaps at the Technology Task Force, the Bureau of Economics, regional offices, and other relevant parts of the Commission.

It is essential that we invest in strengthening this key governance institution. Already, the Commission bears a substantial burden of leadership within the federal government on tech issues, struggling to identify internal resources sufficient to process the matters it pursues with adequate staffing and research. With the likelihood of both legal and public pressure forcing the Commission's output to increase in the near term, it is essential that the agency be properly resourced to handle a heightened volume of complaints, investigations, and other matters as they arise. Increased capacity can also yield substantial benefits for consumers, noting the agency reported \$38 in consumer benefits for each dollar of its budget in FY 2019.

We also recognize there are many challenges facing the Commission beyond funding, and urge Congress to consider other ways to improve their work as well.

Compared to the global landscape, the past few decades have seen a sharp decline in U.S. leadership on the governance of emerging technologies. The European Union, in particular, is moving forward quickly with major legislation on online content and markets, and has already shaped the landscape for American consumers through the extra-territorial reach of regulations like the General Data Protection Regulation. Now is the time to step up if we don't want other countries to do it for us. And that effort cannot be successful if the primary agency implementing both current and new policies does not receive resources at a scale matching its increased demands.

Sincerely,

American Principles Project
Center for Democracy & Technology
Consumer Federation of America
Consumer Reports
Internet Accountability Project
Lincoln Network
Mozilla
New America's Open Technology Institute
Protect Democracy
Public Citizen
Public Knowledge
R Street Institute