



United States of America
Federal Trade Commission

**Supplemental Materials of
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**Before the U.S. House of Representatives
Energy & Commerce Committee**

issues. Our first Chief Technologist was Ed Felton (of Princeton University), followed by Steve Bellovin (from Columbia University). Latanya Sweeney (from Harvard University) will serve in that role at the agency starting in January 2014.

Next, although the Commission is primarily a law enforcement agency, it has many non-enforcement tools that it can use to inform itself in quickly developing areas. For example, using our authority under Section 6(b) of the FTC Act,² we can obtain information under compulsory process from market participants and pursue a study of a particular competition or consumer protection issue. As we announced in September of this year, the FTC plans to perform such a study of the impact of patent assertion entity, or PAE, activity on competition and innovation.³ This study should provide us with a better understanding of the activity of PAEs and its various costs and benefits.

Short of conducting a 6(b) study, the Commission also may form an internal task force to educate itself on, for example, the competition or consumer protection implications raised by a particular policy proposal. The FTC did this in 2007 when former Chairman Majoras formed the Internet Access Task Force, which I had the honor of heading. The Task Force drew on resources across the agency to issue a set of recommendations regarding network neutrality proposals that were being debated at the time and which continue to be debated today.⁴

Finally, one of the FTC's most effective means of obtaining the information we need to pursue our mission is holding public workshops. The FTC has held numerous workshops and other outreach events on emerging technologies and related policy issues. These workshops are

² 15 U.S.C. § 46(b).

³ See Press Release, Fed. Trade Comm'n, FTC Seeks to Examine Patent Assertion Entities and Their Impact on Innovation, Competition (Sept. 27, 2013), available at <http://www.ftc.gov/opa/2013/09/paestudy.shtm>.

⁴ See Fed. Trade Comm'n Staff, Broadband Connectivity Competition Policy (June 2007), available at <http://www.ftc.gov/reports/broadband/v070000report.pdf>.

testified in favor of repeali

Recognizing the continuing challenge of cross-border fraud and the FTC's ongoing efforts to combat it, Congress reauthorized the U.S. SAFE WEB Act in November 2012. The Act, which enables the agency both to share information with foreign law enforcement agencies and to obtain information on their behalf, is vital to strengthening the culture of mutual assistance that enables law enforcers to achieve greater results working together than they could alone. One example of this cooperation is the six cases the FTC filed last year against mostly foreign-based operators of a massive tech support scam. The FTC used its U.S. SAFE WEB Act tools to work with law enforcers in Australia, Canada, and the United Kingdom, among other countries who provided invaluable assistance to the FTC.¹³ I applaud Congress's decision to reauthorize this important law enforcement tool.

On the competition side, the FTC has an increasingly important bilateral relationship with China and its three competition agencies, MOFCOM, SAIC, and NDRC.¹⁴ In July 2011, the FTC and the Department of Justice (DOJ) signed a memorandum of understanding (MOU) with the three Chinese agencies, and since then, we

opportunity, in the hard disk drive matter,¹⁶ to cooperate with MOFCOM in a merger investigation. I look forward to building a strong, cooperative relationship with China and its competition agencies as they continue to develop and implement the AML. Our efforts to convince the Chinese agencies to pursue sound competition policies will ultimately benefit U.S. businesses and consumers.

B. Multilateral Efforts

One of the top priorities of the FTC's international program is its work with multilateral fora, including in particular the International Competition Network (ICN), in developing best practices for the world's competition agencies. Started by the FTC, DOJ, and fourteen other agencies in 2001, the ICN now includes 127 competition authorities. The ICN has achieved consensus on recommended practices in several areas, including merger review procedures, substantive merger analysis, and the criteria for assessing abuse of dominance. Currently, the FTC serves on the ICN's Steering Group and co-chairs the ICN's Agency Effectiveness Working Group. We are co-leading with the European Commission a new project on "investigative process," which focuses on the ways in which sound investigative practices and procedures can improve agency decision-making and protect procedural fairness. We are also leading the ICN's "Curriculum Project," in which we and others around the world are creating online video training modules for use either by personnel at relatively new agencies or for new staff at all competition agencies.

Through the ICN and other international fora, such as the OECD Competition Committee and the Asia-Pacific Economic Cooperation forum, the FTC – often in conjunction with the DOJ Antitrust Division – has played a leading role in promoting convergence toward substantive

¹⁶ See Fed. Trade Comm'n, Statement of the Federal Trade Commission Concerning Western Digital Corporation/Viviti Technologies Ltd. and Seagate Technology LLC/Hard Disk Drive Assets of Samsung Electronics Co. Ltd, at 2 (Mar. 5, 2012), available at <http://www.ftc.gov/os/caselist/1110122/120305westerndigitalstmt.pdf>.

competition norms, procedural standards, and operational techniques. Our goal is to convince other competition authorities to embrace sound competition policies, which are grounded in economic analysis, respectful of intellectual property rights, and fair and transparent to affected persons and businesses. From the U.S. perspective, sound competition analysis, consistent outcomes, and convergence toward best practices benefits U.S. consumers and ensures that U.S. businesses receive fair and equal treatment from competition regimes around the world. Our efforts both on a multilateral and bilateral basis are bearing fruit. We are harmonizing the thinking of enforcers around well-established substantive and procedural norms and are working together with dozens of agencies to handle specific cases in tandem. This valuable work improves the predictability, transparency, and economic efficiency of antitrust enforcement and should remain a top priority for the agency.

IV. Conclusion

To conclude, I look forward to working with my colleagues on the Commission in addressing the many interesting opportunities and challenges our agency will face as we enter our second century.

I ask that this statement be included in the record. I look forward to answering any questions you may have.