

disclose the general nature and scope of the investigation. The CID leaked two months ago, yet the commission has yet to release a statement. The public deserves an explanation in clear and plain

have real consequences for that behavior. This is something that seems like it should be within the FTC jurisdiction because it has such broad impact on patients, and this is something where it is not just that they are listing these patents improperly, they are also filing litigation to actively kill competition. Thank you Thank you you very much. On behalf of our 40,000 members.

We are very concerned about the high rate so of acquisitions occurring with hospitals, health systems, insurance, and other corporate entities and how that impacts the practice of much. emergency medicine, individual physicians, and their patients. [Douglas Farrer] The collapse of American physician partners is still unfolding. Private equity backed app Sue provided physician Sedory. staff more than 130 merchants and departments across 18 in the states. the [>>] next day they closed operations. hospitals scrambled to sign contracts or opted to hire directly. Our members had to decide in a matter of days to sign new contracts or go elsewhere.

Many are fine, but many are not. Still not getting paid for shifts or struggling to buy costly medical malpractice gap coverage on their own. APP spent multiples and walked away from almost \$500 million in accumulated debt, leaving a devastating we believe the FTC's recent actions, including its proposed guidelines are an important first step. wake. They don't give small practices a chance, they just lead to further consolidation, horizontally and vertically. With growing insurer strength, especially in taking over practices for themselves, physician groups of all sizes find it impossible to compete financially and lose leverage to ensure patients and physicians are appropriately cared for.

We also appreciate the recent proposal for a non compete clause, especially for physicians and health workers. Emergency physicians don't take their patience with them when they go to a new group. So leaving has little to no competitive impact on previous employers except the need to do better. And rehire. The role can be finalized. So that these detrimental clauses affecting interests and well being finally become a thing of the past. Thank you for this Thank you so much. Next we have opportunity. and proper listing of patents on Patents that are the not eligible for listing and then getting [Douglas an Farrer] they book.

substance is the active ingredient, a Tahir product Amin. for injunction composition or a method [>>] of should using Thank such a you drug. to The FDA chair conducts Khan. what is My termed comments A ministerial regard review of the patents claim for in its own words, the FDA the has The stated Act clearly states that application, drug Companies regularly exploit the FDA's lack of oversight and lack of clear rules or guidelines. -- for an NDA. they automatically block the cost of low cost generic drugs. this allows branded drug makers to pocket extra revenue, often in the billions, at the expense of The americans. 30-month delay is a powerful Companies listing incentive. device And patents that do not include ingredients. we heard today about recent has been increasing collaboration. We have seen that in addition with to making a a policy product statement related against to the the competitive risk-evaluation, executive nature of improper patents on the similarly, orange book, the the FTC filed an order, amicus brief FTC against at the Ineligible patent court. listings We on the are should positive about there this, but in light [Douglas the of two minute President timeline. Sorry Biden's about join that. Thank you for your comments.

The 2 to last speaker Farrer] orange the will I am the We senior vice president for FDA antitrust at the US chamber of commerce. After the chamber be are to book. Commission our petition requests filed Sean help over weed out the chamber is posing simple Heather. and a effective changes to ensure due process. 2 things that democratic institutions should warmly embrace. The petition FTC occupies a powerful position in the federal government acting updates. as a prosecutor and judge. The FTC has

recently embarked on a with series of [>>] rule makings and launched a number of legal cases challenging antitrust law.

The FTC often chooses to rely on the its own internal proceedings. Peermak the business community is calling for enhanced transparency from the agency. Changes to the refusal process can ensure a fair process that is free from bias. Our petition asks for agency rules that require commissioners to seek written legal guidance of agency ethics officials and disclose in writing reasons for any decision to not follow those recommendations. The position also includes legal standards applicable to refusal questions, and to be clear that proposal will not apply to the FTC cases in federal court. Furthermore, the proposal will leave it to the the commissioners when considering refusal petitions.

The modest changes sought by the chamber will ensure that conflicts of interest are fully brought to light. If current, and future commissioners can agree to principles of transparency and accountability, it is time they reconsider their positions in public service. We encourage you to submit comments once it is published in the federal register and we thank you for this opportunity. [Douglas raised it. I appreciate the opportunity to remind viewers that the majorities decision on recusal is available online publicly, as is the rationale Farrer] for why she decided not to recuse it Since in has I'm a franchisee you from Clearwater, Florida.

been that I purchased a franchise that sells juices and for smoothies. it. Took on significant financial risks. We made investments case. many exceeding \$5000 believing in the promise of support and sustainable business models. While months. 90% of franchisees in the system lose money monthly, our franchise is

number P 233900. forward Khan] [>>] to Is [Chair I call I supporting [>>] [>>] Lina will you there [Chair will yes. The motion passes unanimously. for The second item on the M. agenda is staff perspective and recommendations Lina on stealth advertising in the digital a second, age.

This follows a workshop Khan] that the staff M. held that convened last year on this a same topic, and I am glad that we Madam have Yes. with us today. Michelle Rosenthal from second? the Khan] division I of ad practices, Yes. which has been spearheading this work. Michelle will share with us And what vote. staff learn from will the workshop and some key takeaways. I Thank you for putting this item on today's agenda. I vote appreciate the opportunity to present on this issue. Over In recent years, we have seen an uptick in digital advertising to kids, and some of it may not be distinguishable from the to embedded. It could be an influencer talking about their favorite beauty product content or a video where a child opens a toy or plays a game. you in These are just a few examples. Given concerns about whether kids can recognize and evaluate blurred advertising, which staff decided to host a workshop . Back the workshop [>>] was -- the it purpose was to understand harms to kids including teens and to consider policy approaches. Next slide,. is the October 19th 2022 workshop on protecting kids from stealth advertising and digital media featured panelists from advocacy groups, industry, self regulatory and academic institutions.

We also received 40 written submissions in connection with the event. Addition the staff reviewed dozens of articles on advertising to kids. Today the staff recommends the release of a staff perspective including recommendations for protecting kids. Next slide, please. Sorry. I think we were on the right slide. The perspective provides an overview of the current digital landscape for kids. It discusses existing research on kids abilities to recognize and evaluate Peermak blurred advertising. But of course, the research is still emerging and that can be reached at this time. Oftentimes children lack the knowledge and skills to recognize and evaluate ads and understand the motives behind them.

There is no no specific age at which kids develop these skills and existing research does not account for neurodivergent children. Consumer advocates have cautioned against blurred advertising to children. absolute Next slide. For context, kids up to seven years old lack the ability to distinguish between conclusions blurred advertising and content. They are unlikely to understand persuasive intent. They might recognize some types of advertising. But this evidence is limited to identification of an ad and not the ability to process or evaluate its purpose. Research shows that most children between 5-7 can recognize traditional ads because of contextual cues like a skip button button, or a an X call to action, such as by now with a price tag or other features that distinguish creative content from advertising. It is much more difficult for these children to recognize embedded or blurred advertising because such contextual cues are generally absent. Next slide, please. There is evidence that between 7-11 years of age children begin to understand perspectives and motives other than their own. They also can begin to understand the concepts of bias and deception. Still, some kids may have trouble discerning advertising from creative content. As mentioned earlier with blurred advertising, such queues are generally absent. Next slide, please. Some research shows that by the time children are 11-16 they have an increased understanding of advertising intent and more insight into persuasive tactics.

2 studies of 12-14 year old year olds show that kids still struggle to identify blurred advertising. Or the cumulative effects of targeting ads. Further, some panelists pointed out that these may have disproportionate effects on certain populations. For example, families with fewer resources or non-native English speaking families. Industry participants in a few others asserted that the identified harms were speculative and they cautioned that restrictive rules could curtail advertising that pays for much of the

creative content available on kids digital media. They also argued that some of the potential harms mitigated by certain factors, such as parents acting as gatekeepers for household purchases. Staff does not believe that such mitigating factors eliminate the harms from blurred advertising and we do not believe the onus should be placed on the parents. Finally, the staff perspective discusses potential solutions suggested to address harms. The most important takeaway is that there is no one solution that will protect kids from blurred advertising other than not to do it. Consumer advocates argue that disclosures alone do not work for youngest kids, some of whom are still learning to read or maybe distracted by other things happening on the screen. Many panelists agree that disclosures have done correctly could be part of a comprehensive approach that includes other solutions like formatting the marketing message.

So that it clearly is separate from the content. FTC staff considered these and other solutions proposed by panelists and commenters as well as insights gleaned from research on blurred ads to kids. Next slide, please. Staff makes 5 recommendations for businesses and other stakeholders. And we reiterate that no one solution or recommendation itself will adequately address the harms raised and a comprehensive approach is necessary. I will now talk through the recommendations. The best way to prevent harm stemming from blurred advertising is to not blur advertising? There should be a clear separation between education and and entertainment adds.

This can be done by formatting techniques to signal to kids that they are about to see an advertisement. Prominent disclosure should be provided verbally and in writing and include information about the nature of the ad. Platforms and advertisers should consider creating and using a consistent and easy to understand icon that signals to kids that money or free things were provided for content creator advertising the product. 4th, all stakeholders should look for ways to educate kids, parents, and teachers about how digital advertising works and to help kids recognize and evaluate it wherever it happens. 5th, platforms should consider having policies that require content creators to identify content, including advertising, and they should also consider parental controls that allow parents to limit or block their children from seeing such content.

The staff requests that the commission authorized the release of this. Next slide, please. Finally, I want to recognize and thank my colleagues. Your work and input have been invaluable. In addition, I want to thank Rebecca, Elizabeth, and the bureau of consumer protection. We also are grateful to all of the speakers and commenters whose insights contributed to the staff perspective and our recommendations and thank you again for the opportunity to present today. I will turn this back over Thanks so much to for the interesting and you helpful overview. [Chair Lina I M. Khan] so appreciate the work that our staff has been doing to make sure we stay abreast of this fast moving area.

I will say briefly 1 takeaway for me here was the policy framework that we needed here really cannot just put the onus on parents to monitor kids around the clock or to rely on kids and preschoolers to process disclosures. I have been really thrilled with the incredible work that the commission and our staff did over the last few years to move past notice and consent as a framework to ensure that we are securing remedies and assigning responsibility to actors that have the resources and the information to be addressing and preventing harm on the front end.

We required epic to change default settings, we basically said you cannot condition students access to requiring them to submit to endless surveillance. This has been a really incredibly important area of work for us. And I am grateful to the expertise brought to the issue. So I will leave it at that. And we will start off with commissioner bedoya. [>>] It is, along A with subject you of keen and interest. Commissioner Slaughter, For working to understand what's going on here. I am grateful to Michelle Rosenthal for the

