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Prepared Statement of the Federal Trade Commission

**FTC Initiatives to Protect Consumers and Competitive Markets
In the Wake of Hurricane Katrina**

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Subcommittee on Commerce, Trade, and Consumer Protection
Committee on Energy and Commerce
United States House of Representatives**

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I. Introduction

Mr. Chairman and members of the Subcommittee, I am John Seesel, the Federal Trade Commission's Associate General Counsel for Energy. I am pleased to appear before you to present the Commission's testimony on FTC initiatives to protect consumers in the aftermath of Hurricane Katrina.[1] Because rising prices have been one of the most visible effects of the interruption of gasoline supply caused by Katrina, I will also comment on our efforts to protect competitive markets in the production, distribution, and sale of gasoline.

Our hearts go out to those who have been harmed or dislocated by Katrina. It taxes everyone's credulity that, even in the midst of tragedy, some people will try to take advantage of their fellow citizens for pecuniary gain. People whose houses have been destroyed or rendered uninhabitable, whose paychecks have been interrupted, or who have lost access to bank accounts are especially vulnerable to fraud and deception designed to separate them from what little they may have left. The Commission has moved aggressively, on its own as well as in cooperation with state and other federal law enforcement authorities, to help victims avoid fraudulent and deceptive activities, and to rebuild their financial futures.

Katrina is expected to have widespread effects throughout the economy. The Congressional Budget Office tentatively estimated that Katrina could reduce real gross domestic product growth in the second half of this year by one-half to one percentage point and could

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[1] This written statement represents the views of the Federal Trade Commission. My oral presentation and responses to questions are my own and do not necessarily represent the views of the Commission or any Commissioner.

reduce employment by about 400,000 through the end of the year.[2] Higher energy prices will be a burden on other sectors of the economy and will affect consumers not only directly in the gasoline and other energy products that they purchase, but also indirectly in raising prices of inputs into other goods and services. In addition, Katrina damaged many other industries and businesses on the Gulf Coast, and some of those impacts – such as the damage to port facilities – may significantly impede the flow of raw materials or finished goods to producers and distributors in many industries.

The Commission's testimony today addresses the Subcommittee's inquiries in three parts. First, it reviews the actions that the Commission has taken to protect consumers made more vulnerable by the hurricane's impact. Under the leadership of the Department of Justice, the Commission is participating with other federal agencies in a Katrina-related fraud task force designed to find and prosecute those who would use the chaos of disaster to take advantage of the victims. As part of this effort, the Commission is acting as a central repository for fraud complaint data for all levels of law enforcement. The Commission has also used its website to collect and disseminate important information necessary for consumers to regain their financial stability. Beyond the immediate need to prevent fraud and deception, consumers need to rebuild their financial lives. The Commission is offering consumer education to assist victims in this process and to help them avoid frauds and scams.

The second part of today's testimony highlights the Commission's gasoline monitoring project. Through this activity, the Commission receives data on retail and wholesale gasoline

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[2] Letter and attachment from Douglas Holtz-Eakin, Director of the Congressional Budget Office, to Honorable William H. Frist, M.D. (Sept. 6, 2005), *available at* http://www.cbo.gov/ftpdocs/66xx/doc6627/09-06-ImpactKatrina.pdf.

prices across the country. Those data are starting points for FTC investigations, research, and consultations with state attorneys general designed to identify any anticompetitive activity that may result in higher prices.

Finally, the testimony briefly discusses the basic tools that the Commission uses to promote competition in the petroleum industry – namely, aggressively investigating possibly anticompetitive conduct in the industry and commencing enforcement actions as appropriate and challenging potentially anticompetitive mergers and acquisitions in the industry. This review of the Commission's petroleum industry agenda highlights the FTC's contributions to promoting and maintaining competition in the industry on an ongoing basis. It also notes the Commission's current activities to identify anticompetitive conduct during the short-term gasoline product shortage.

II. FTC Initiatives to Protect Consumers from Fraud and Deception

Those displaced by Hurricane Katrina have suffered significant harm, yet they remain vulnerable to even more financial devastation. With no access to their homes, financial documents, or computers, and sometimes lacking any proof of identification, the displaced must rebuild their financial lives. Scam artists will seek to prey on the vulnerability of the already victimized, and Americans responding generously may find their donations going to line the pockets of the unscrupulous. The Commission, therefore, has committed its expertise and resources to assist victims of Katrina to regain control of their financial lives and avoid scams, and to ensure that Americans' generous charitable donations are not siphoned off by bogus fundraisers.

A central mission of the Commission is to educate consumers so that they can make informed choices in the marketplace. The FTC's Office of Consumer and Business Education ("OCBE") also serves as the first line of defense against fraud and deception. For example, through OCBE, the Commission launches a comprehensive education campaign with each major consumer protection campaign and provides consumer education in response to new scams, such as "phishing" and "spyware." OCBE provides consumers with straightforward descriptions of, and practical advice about, their rights under important consumer regulations – such as the recent Fair Credit Reporting Act rules and the Gramm-Leach-Bliley Act privacy and data security regulations – and also provides businesses with clear written guidance on how to comply with those regulations. Finally, OCBE acts quickly to educate consumers about the specific risks posed by significant one-time events, such as Katrina.

When the hurricane hit, OCBE quickly prepared new materials to address: (1) the many financial challenges faced by those who had been displaced by the storm and separated from their financial and other records; (2) the heightened risk of identity theft; and (3) the need to be on alert for scams. The materials provide practical and easily understood steps that consumers can take to protect themselves. The introduction provides the following summary:

1. Communication is more important than ever. Call your creditors. Many are putting programs in place to defer your loan payments, waive late fees, or raise your credit limit temporarily while you get back on your feet. If you've lost your records and need help identifying your creditors, get your credit report. It's free from www.annualcreditreport.com, or 1-877-322-8228.
2. Many people will be asking you for your personal information. Ask them for appropriate identification before you give it out. Government officials will not ask you for money in exchange for your information or the promise of a check.
3. Be on the alert for scams. Advance-fee credit arrangements, where

> you are required to pay a fee for a credit card or some other line of credit before you receive it, are illegal.

> Once the immediate hazards of a natural disaster are over, it's inevitable that other problems surface. Among these are scams, frauds, and other consumer protection issues.

The FTC first posted these new educational materials on a special website for consumers and businesses affected by Hurricane Katrina on September 7.[3] They are now also available in Spanish. Of course, the Commission recognizes that information posted on a website may have no value to people who have little more than the clothes on their backs, let alone reliable Internet access. Therefore, we are actively reaching out to the U.S. Postal Service, the Federal Emergency Management Agency ("FEMA"), and the Red Cross to arrange to have printed copies of these materials, in English and Spanish, placed in locations where persons displaced by Katrina will see them, such as shelters operated by the Red Cross and FEMA outposts.[4] OCBE has sent scripts of public service announcements to radio stations in Louisiana, Mississippi, and Alabama, alerting consumers to possible home repair scams in the wake of the hurricane. OCBE also sent public service announcement scripts to radio stations throughout the nation urging consumers to be cautious when making donations to help the victims of the disaster. Announcers often read these scripts on the air as public service messages from the FTC and the radio station.

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[3] That website is http://www.ftc.gov/bcp/cponline/events/katrina/index.html. The consumer information section of the website also lists specific consumer education materials on topics related to other possible problems and frauds that victims may face, such as "Debris Removal Scams," "Fake Disaster Officials," "Home Ownership Issues," "Job Scams," "Rental Listing Scams," and "Water Treatment or Purification Devices."

[4] Copies of these materials are attached to this testimony.

The FTC also is participating in the Hurricane Katrina Fraud Task Force, which includes members from the Department of Justice, the FBI, the Postal Inspector's Office, and the Executive Office for United States Attorneys, among others. The Attorney General has directed the Task Force to track referrals of potential cases and complaints, coordinate with law enforcement agencies to initiate investigations, match referrals with the appropriate U.S. Attorney's offices, and ensure timely and effective prosecution of Katrina fraud cases. A critical element of the Task Force's work is the consumer complaint data collected, maintained, and analyzed by the FTC in its Consumer Sentinel database. The Consumer Sentinel system is a web-based network that links more than 1,400 law enforcement agencies throughout the United States, Canada, and Australia to over two million fraud and identity theft complaints. These agencies have direct access to complaints that enable them to develop cases, locate witnesses, and seek enhanced sentences for criminal prosecutions. Membership in the Sentinel network ranges from local police departments to every state attorney general and every major federal investigative agency. In addition to their use by law enforcement agencies in developing and pursuing investigations, the Sentinel data provide a window into consumer fraud and identity theft, which we track year-by-year for statistical analysis.

The Commission receives complaints through its toll-free hotline and online complaint form, as well as from external database contributors, such as local offices of the Better Business Bureau, the FBI's Internet Crime Complaint Center, and others. The FTC staff has developed a code for Katrina-related complaints in Consumer Sentinel to make it easy for FTC staff, Task Force members, and other Sentinel users to identify these post-hurricane fraud data. The staff is creating weekly reports on post-hurricane charity scams, identity theft, advance fee credit scams, and other post-disaster frauds, and is posting them directly on Consumer Sentinel. With these reports, Sentinel users will be directed to the complete list of Katrina-related complaints, easing their use of the system and ensuring that the users see all relevant data. These reports also can be sorted to identify complaints by state, so that the appropriate U.S. Attorney's office, as well as state and local law enforcement, can focus their enforcement efforts on local targets.

Finally, experienced FTC attorneys and investigators are analyzing complaint data daily and are prepared to file civil law enforcement actions to shut down scams as they are identified. The FTC has extensive experience bringing quick and effective actions to stop fraud, obtain strong injunctive relief, and recover redress for defrauded consumers. The appropriate resources have been redirected to this effort. For example, senior litigation attorneys in the Commission's Northwest Regional Office, who have long led the FTC's efforts against bogus charities, are poring over charity fraud complaint data. An Assistant Director in the Division of Marketing Practices is coordinating our law enforcement resources and attending Task Force meetings, and the FTC has lent staff assistance to a multi-agency call center that is fielding telephone calls about Katrina-related problems. At the same time, the Commission recognizes that civil remedies are likely insufficient punishment for scam artists who seek to benefit from this great national tragedy. Therefore, the Chief of the FTC's Criminal Liaison Unit, which was established two years ago to facilitate the referral of egregious frauds to criminal prosecutors, is directly participating in the Task Force and is seeking input from all staff regarding potential Katrina-related criminal referrals.

III. Gasoline and Diesel Price Monitoring Project

In addition to litigation against fraud, deception, and anticompetitive practices, the Commission has undertaken aggressive measures to protect consumers through other initiatives. As part of its mission to protect competition and consumers in all markets, the Commission has mobilized significant resources to respond to issues raised by higher gasoline prices since Katrina. The petroleum industry plays a crucial role in our economy. Not only do changes in gasoline prices affect consumers directly, but the price and availability of gasoline also influence many other economic sectors. No other industry's performance is more deeply felt, and no other industry is more carefully scrutinized by the FTC.

For example, in a program unique to the petroleum industry, the FTC actively and continuously monitors retail and wholesale prices of gasoline and diesel fuel.[5] Three years ago, the agency launched this initiative to monitor gasoline and diesel prices to identify "unusual" price movements[6] and then examine whether any such movements might result from anticompetitive conduct that violates Section 5 of the Federal Trade Commission Act. FTC economists developed a statistical model for identifying such movements. These economists scrutinize regularly price movements in 20 wholesale regions and approximately 360 retail areas across the country. Again, in no other industry does the Commission so closely monitor prices.

The staff reviews daily data from the Oil Price Information Service, a private data collection agency, and receives information weekly from the public gasoline price hotline

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[5] *See* FTC, *Oil and Gas Industry Initiatives*, *at* http://www.ftc.gov/ftc/oilgas/index.html.

[6] An "unusual" price movement in a given area is a price that is significantly out of line with the historical relationship between the price of gasoline in that area and the gasoline prices prevailing in other areas.

maintained by the U.S. Department of Energy ("DOE"). The staff monitoring team uses an econometric model to determine whether current retail and wholesale prices are anomalous in comparison to the historical price relationships among cities. When there are unusual changes in gasoline or diesel prices, the project alerts the staff to those anomalies so that we can make further inquiries.

This gasoline and diesel monitoring and investigation initiative, which focuses on the timely identification of unusual movements in prices (compared to historical trends), is one of the tools that the FTC uses to determine whether a law enforcement investigation is warranted. If the FTC staff detects unusual price movements in an area, it researches the possible causes, including, where appropriate, through consultation with the state attorneys general, state energy agencies, and DOE's Energy Information Administration. In addition to monitoring DOE's gasoline price hotline complaints, this project includes scrutiny of gasoline price complaints received by the Commission's Consumer Response Center and of similar information provided to the FTC by state and local officials. If the staff concludes that an unusual price movement likely results from a business-related cause (*i.e.*, a cause unrelated to anticompetitive conduct), it continues to monitor but – absent indications of potentially anticompetitive conduct – it does not investigate further.[7] The staff investigates unusual price movements that do not appear to be explained by business-related causes to determine whether anticompetitive conduct may underlie the pricing anomaly. Cooperation with state law enforcement officials is an important element of such investigations. The Commission's experience from its past investigations and from the

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[7] Business-related causes include movements in crude oil prices, supply outages (*e.g.*, from refinery fires or pipeline disruptions), or changes in and/or transitions to new fuel requirements imposed by air quality standards.

current monitoring initiative indicates that unusual movements in gasoline prices often have a business-related cause.

IV. FTC Activities to Maintain and Promote Competition in the Petroleum Industry

Prior to Hurricane Katrina, increasing crude oil prices had resulted in rising gasoline prices during much of this year. Despite these rising prices, the demand for gasoline during this past summer was strong and exceeded summer demand in 2004. In the recent weeks since Hurricane Katrina, gasoline prices rose sharply to $3.00 per gallon or more in most markets. In part because of the soaring prices associated with Katrina, gasoline demand has decreased somewhat. National gasoline inventories remain at the lower end of the average range.

On top of an already tight market, Katrina has temporarily disrupted an important source of crude oil and gasoline supply. At one point, over 95 percent of Gulf Coast crude oil production was shut in, and numerous refineries and pipelines were either damaged or without electricity.[8] As of one week ago, 56.1 percent of Gulf Coast production remained shut in.[9] Because of this massive supply disruption, substantial price relief has been and will be delayed. Although it is heartening to see that much Gulf Coast production is back online, full-scale production in that region has yet to resume. Our past studies suggest that as gasoline supplies return to pre-Katrina levels, prices should recede from recent high levels. Indeed, retail prices in nearly all areas have fallen in recent days, and accompanying declines in wholesale prices

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8 *See* Minerals Mgmt. Serv., U.S. Dep't of the Interior, Release No. 3328, *Hurricane Katrina Evacuation and Production Shut-in Statistics Report as of Tuesday, August 30, 2005, at* http://www.mms.gov/ooc/press/2005/press0830.htm.

9 See Minerals Mgmt. Serv., U.S. Dep't of the Interior, Release No. 3347, *Hurricane Katrina Evacuation and Production Shut-in Statistics Report as of Thursday, September 15, 2005, at* http://www.mms.gov/ooc/press/2005/press0915.htm.

presage further price declines at retail. It is important to remember, however, that Katrina damaged important parts of the energy infrastructure in the Gulf Coast region, including oil and gas production and refining and processing facilities. Some adverse effect on energy prices may persist until the infrastructure recovers fully – a process that could take months.

The Commission is very conscious of the swift and severe price spikes that occurred immediately before and after Katrina made landfall. There have been numerous calls for investigations of "price gouging," particularly at the retail gasoline level. Legislation that would require the Commission to study this issue recently passed the Senate.[10] In addition, Section 1809 of the recently enacted Energy Policy Act[11] mandates an FTC investigation "to determine if the price of gasoline is being artificially manipulated by reducing refinery capacity or by any other form of market manipulation or price gouging practices." The Commission staff already has launched an investigation to scrutinize whether unlawful conduct affecting refinery capacity or other forms of illegal behavior have provided a foundation for price manipulation. A determination that unlawful conduct has occurred will result in aggressive law enforcement activity by the FTC.

The FTC has initiated this inquiry with a keen understanding of its importance to the American consumer and intends faithfully to fulfill its obligation to search for and stop illegal conduct. We recognize, of course, that our investigation will not be a simple one. As many have already pointed out, "price gouging" is not prohibited by federal law. Consumers justifiably are

[10] On September 15, 2005, the Senate passed the Fiscal Year 2006 Commerce-Justice-Science Appropriations bill, which included funding for the FTC. An amendment to this bill introduced by Senator Mark Pryor requires the FTC to conduct an investigation into gasoline prices in the aftermath of Hurricane Katrina.

[11] Energy Policy Act of 2005, Pub. L. No. 109-58 § 1809, __ Stat. __ (2005).

upset when they face dramatic price increases within very short periods of time, especially during a disaster. Some prices increases, however, benefit consumers in the long run. In our economy, prices play a critical role: they signal producers to increase or decrease supply, and they also signal consumers to increase or decrease demand. In a period of shortage – particularly with a fungible product, like gasoline, that can be sold anywhere in the world – higher prices create incentives for suppliers to send more product into the market, while also creating incentives for consumers to use less of the product. Higher prices ultimately help make the shortage shorter-lived than it otherwise would have been. There may be situations where sellers go beyond the necessary market-induced price increase, taking advantage of a crisis to "gouge" consumers. However, it can be very difficult to determine the extent to which any price increases are greater than necessary. Furthermore, even these "gouging" types of price increases do not fit well under longstanding principles of antitrust law. Under the antitrust laws, a seller with lawfully acquired market power – including market power arising from an act of God – can charge any price the market will bear, so long as this seller does not join with others to set prices or restrict supply.

Finally, many states have statutes that address short-term price spikes in the aftermath of a disaster, and we understand that a number of them have opened investigations of gasoline price gouging. At the retail level, state officials – because of their proximity to local retail outlets – can react more expeditiously than a federal agency could to the many complaints that consumers have filed about local gasoline prices. Nevertheless, these issues will not deter the FTC from investigating and responding to any manipulation of gasoline prices we are able to uncover that violates federal antitrust law.

In addition to commencing its investigation pursuant to Section 1809 of the Energy Policy Act and dealing with the short-term market dislocations caused by Katrina, the FTC has been and remains vigilant regarding anticompetitive conduct in the energy industry in the long run. Recent FTC activity in the gasoline industry includes the acceptance on June 10, 2005, of two consent orders that resolved the competitive concerns relating to Chevron's acquisition of Union Oil Company of California ("Unocal") and settled the Commission's 2003 monopolization complaint against Unocal. The Unocal settlement alone has the potential to save billions of dollars for California consumers in future years.

Moreover, in early July 2005, the Commission published its study explaining the competitive dynamics of gasoline pricing and price changes.[12] This study grew out of conferences of industry, consumer, academic, and government participants held by the Commission over the past four years, as well as years of research and experience, and sheds light on how gasoline prices are set.

In 2004, the FTC staff published a study reviewing the petroleum industry's mergers and structural changes as well as the antitrust enforcement actions that the agency has taken over the past 20 years.[13] Commission enforcement statistics show that the FTC has challenged proposed mergers in this industry at lower concentration levels than in other industries. Since 1981, the FTC has filed complaints against 19 large petroleum mergers. In 13 of these cases, the FTC

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[12] FEDERAL TRADE COMMISSION, GASOLINE PRICE CHANGES: THE DYNAMIC OF SUPPLY, DEMAND, AND COMPETITION (2005), *available at* http://www.ftc.gov/reports/gasprices05/050705gaspricesrpt.pdf.

[13] BUREAU OF ECONOMICS, FEDERAL TRADE COMMISSION, THE PETROLEUM INDUSTRY: MERGERS, STRUCTURAL CHANGE, AND ANTITRUST ENFORCEMENT (2004), *available at* http://www.ftc.gov/os/2004/08/040813mergersinpetrolberpt.pdf.

obtained significant divestitures. Of the six other matters, the parties in four cases abandoned the transactions altogether after agency antitrust challenges; one case resulted in a remedy requiring the acquiring firm to provide the Commission with advance notice of its intent to acquire or merge with another entity; and the sixth case was resolved recently with the execution by the parties of a 20-year throughput agreement that will preserve competition allegedly threatened by the acquisition.[14]

The Commission has gained much of its antitrust enforcement experience in the petroleum industry by analyzing proposed mergers and challenging transactions that likely would reduce competition, thus resulting in higher prices.[15] In 2004, the Commission released data on all horizontal merger investigations and enforcement actions from 1996 to 2003.[16] These data show that the Commission has brought more merger cases at lower levels of concentration in the petroleum industry than in other industries. Unlike in other industries, the Commission has obtained merger relief in moderately concentrated petroleum markets.

The aforementioned case involving Chevron's acquisition of Unocal illustrates our approach to protecting competition in the petroleum industry. When the merger investigation began, the Commission was in the middle of an ongoing monopolization case against Unocal that

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[14] *See* http://www.ftc.gov/opa/2005/09/alohapetrol.htm.

[15] Section 7 of the Clayton Act prohibits acquisitions that may have anticompetitive effects "in any line of commerce or in any activity affecting commerce in any section of the country." 15 U.S.C. § 18.

[16] Federal Trade Commission Horizontal Merger Investigation Data, Fiscal Years 1996-2003 (Feb. 2, 2004), Table 3.1, et seq.; FTC Horizontal Merger Investigations Post-Merger HHI and Change in HHI for Oil Markets, FY 1996 through FY 2003 (May 27, 2004), *available at* http://www.ftc.gov/opa/2004/05/040527petrolactionsHHIdeltachart.pdf.

would have been affected by the merger. As detailed below, the Commission settled both the merger and the monopolization matters with separate consent orders that preserved competition in all relevant merger markets and obtained complete relief on the monopolization claim.[17]

On March 4, 2003, the Commission issued its monopolization complaint against Unocal, alleging that it had reason to believe that Unocal had violated Section 5 of the FTC Act.[18] The complaint charged that Unocal deceived the California Air Resources Board ("CARB") in connection with regulatory proceedings to develop the reformulated gasoline ("RFG") standards that CARB adopted. Unocal allegedly misrepresented that certain technology was non-proprietary and in the public domain, while at the same time it pursued patents that would enable it to charge substantial royalties if CARB mandated the use of Unocal's technology in the refining of CARB-compliant summertime RFG. The Commission alleged that, as a result of these activities, Unocal illegally acquired monopoly power in the technology market for producing the new CARB-compliant summertime RFG, thus undermining competition and harming consumers in the downstream product market for CARB-compliant summertime RFG in California. The Commission estimated that Unocal's enforcement of its patents could potentially result in additional consumer costs of up to 6 cents for every gallon of gasoline pumped in the State of California, which amounts to over $500 million of additional consumer costs per year.

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[17] *Chevron Corp.*, FTC Docket No. C-4144 (July 27, 2005) (consent order), *at* http://www.ftc.gov/os/caselist/0510125/050802do0510125.pdf; *Union Oil Co. of California*, FTC Docket No. 9305 (July 27, 2005) (consent order), *at* http://www.ftc.gov/os/adjpro/d9305/050802do.pdf.

[18] *Union Oil Co. of California*, FTC Docket No. 9305 (Mar. 4, 2003) (complaint), *at* http://www.ftc.gov/os/2003/03/unocalcmp.htm.

The proposed merger between Chevron and Unocal raised additional concerns. Unocal had claimed the right to collect patent royalties from companies with refining and retailing assets (including Chevron). Had Chevron unconditionally inherited these patents by acquisition, it would have been in a position to obtain sensitive information and to claim royalties from its own downstream competitors. The Commission alleged that Chevron could have used this information and this power to facilitate coordinated interaction and detect any deviations.

The key element in the consent orders by which the Commission resolved both the Chevron/Unocal merger investigation and the monopolization case against Unocal is Chevron's agreement not to enforce the Unocal patents.[19] The FTC's settlement of these two matters is a substantial victory for California consumers. The Commission's monopolization case against Unocal was complex and, with possible appeals, could have taken years to resolve, with substantial royalties to Unocal – and higher consumer prices – in the interim. The settlement provides the full relief sought in the monopolization case and also resolves the only competitive issue raised by the merger. With the settlement, consumers will benefit immediately from the elimination of royalty payments on the Unocal patents, and potential merger efficiencies could result in additional savings at the pump.

V. Conclusion

The Federal Trade Commission has instituted aggressive initiatives to protect consumers in the aftermath of Hurricane Katrina. The Commission has taken action whenever fraud, deception, anticompetitive conduct, or a potentially illegal merger has threatened the welfare of consumers or competition in the petroleum (or any other) industry. The Commission continues

[19] *Chevron Corp., supra* note 17.

to take whatever action is warranted to protect consumers and preserve competition. In the petroleum industry in particular, the Commission continues to seek out and challenge illegal conduct, to monitor retail and wholesale gasoline and diesel prices, and to study and report on the industry in detail.

Thank you for this opportunity to present the FTC's views on this important topic. I would be glad to answer any questions that the Subcommittee may have.