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## .1 RELATIONS WITH FEDERAL AGENCIES

### .1.1 POLICY

The Commission conducts liaison with other federal entities to avoid duplication of effort and unnecessary expenditure of public funds. Such liaison is of particular importance when other federal agencies, such as the Department of Justice, the Postal Service, and the Food and Drug Administration have concurrent or overlapping jurisdiction with the FTC. Liaison is also conducted to obtain advice and assistance, e.g., expert witnesses, from other federal agencies, to exchange information and generally to coordinate activities of the agencies as may be necessary. To facilitate liaison, members of the staff have been designated as liaison officers for each federal agency whose activities may relate to the work of the FTC. Contacts between Commission staff and the staff of other agencies are ordinarily initiated through the designated Commission liaison officer, although informal, continuing contacts may properly be maintained by appropriate staff members directly.

### .1.2 USE OF SUBPOENAS OR CIDS TO OBTAIN TESTIMONY OR DOCUMENTS FROM STAFF OF FEDERAL AGENCIES

In virtually every instance, other federal agencies are willing to cooperate with the Commission in its investigational and enforcement activities. Subpoenas or CIDs should be sought only in situations where the needed information or testimony cannot be obtained by voluntary means. SEE OM Ch. 3 and OM Ch. 10 for further guidance regarding the issuance of subpoenas or CIDs to federal employees in investigations and in litigation.

### .1.3 SUBJECT MATTER OF INVESTIGATION WHICH MAY INVOLVE OTHER AGENCIES

Before recommending the initiation of any investigation, it is the responsibility of the staff to determine whether the subject matter of the proposed investigation may also involve the laws or regulations enforced by another federal agency or may otherwise be of concern to another federal agency. The designated liaison officer for that agency may be consulted for guidance.

### .1.4 DISCLOSURE OF INFORMATION

When necessitated by an investigation, staff may disclose to personnel of another federal or state law enforcement agency, the existence of a nonpublic investigation, the identity of the parties under investigation and the general nature of the practices involved (See OM Ch. 15.2.1.2).

Formal requests from federal or state agencies other than law enforcement agencies for access to Commission files are treated in accordance with Rule 4.11 (d).

### .1.5 LIAISON OFFICERS

A list of the designated liaison officers and an indication of the scope of the liaison will be found as Appendix A to this chapter.

### .1.6 TESTIMONY BEFORE CONGRESSIONAL COMMITTEES

Policies and procedures governing testimony before congressional committees are contained in Adm. Manual Ch. 2-951.

## **.2 RELATIONS WITH STATE AND LOCAL AGENCIES**

### **.2.1 POLICY**

It is the policy of the Commission to cooperate with agencies of state and local governments to protect the public against anti-competitive and unfair and deceptive acts and practices. When alleged unlawful conduct is primarily intrastate, efforts should be made to obtain corrective action by state or local authorities. The objectives of such efforts are to:

- (a) obtain corrective action at the lowest level of government;
- (b) avoid duplication of effort;
- (c) conserve the Commission's resources; and
- (d) develop state and local initiative.

Relations with state and local agencies are the primary responsibility of the Regional Offices and will be carried out through frequent contacts and liaison with state and local officials. Broad policy guidance and support are furnished by the Bureaus and by the General Counsel. Regional Directors are encouraged to actively promote state and local legislation that carries out the mandate of the Commission. Overall coordination of the federal-state/local relations program is conducted by the Federal-State Liaison Officer in the Office of the General Counsel.

### **.2.2 USE OF COMPULSORY PROCESS TO OBTAIN TESTIMONY FROM STATE OR LOCAL OFFICIALS**

See OM Ch. 3.3.6.7. for specific guidelines concerning the use of compulsory process.

### **.2.3 METHODS OF COOPERATION**

#### **.2.3.1 Referral of Matters**

When it appears that a consumer complaint involves a practice that is primarily intrastate in character, the complaint may be referred to the appropriate state or local agency, or it may be suggested to the consumer that the complaint be made directly to the state or local agency. See OM Chs. 15 and 16 for further guidance as to such referrals.

If the staff has determined during an investigation that the practices are primarily intrastate in character and a state or local agency has the capacity and willingness to take corrective action, the matter should be submitted for closing with the recommendation that the non-exempt materials in the file be made available to the state or local agency. See Illustration 1 for language to include in memorandum recommending closings. If the recommendation is approved, the files ordinarily will be returned to the originating office for action appropriate to make the non-exempt materials available. See Illustration 2 for an example of an appropriate referral letter. See OM Ch. 3 for procedures. If the state or local agency to which the non-exempt documents are referred would like to have access to the rest of the Commission's files, the staff should explain the appropriate procedures for requesting such access. See OM Chs. 15 and 16 for further guidance.

### .2.3.2 Exchange of Information

In determining whether an investigation should be initiated, staff should contact the state and local agencies in the affected geographic area to determine whether such agencies have any information relevant to the proposed investigation. Such inquiries provide a convenient liaison vehicle for keeping state and local officials aware of Commission activities and encouraging them to identify potentially unfair or deceptive or anticompetitive practices. In making such inquiries, staff may exchange information (confidential information or exempt documents, however, may be given out only through the procedures described in OM Ch. 15) with state or local officials to the extent necessary for an informed determination whether the proposed investigation can be best handled by the Commission or by the state or local agency. See OM Ch. 3 for further guidance.

### .2.3.3 Compendium of State and Local Laws

Regional offices should maintain a compendium of any state and local laws, applicable within their jurisdictions, that are designed to prevent methods, acts and practices similar to those within the purview of laws administered by the Commission. A duplicate set of such materials should be furnished on a continuing basis to the Federal-State Liaison Officer to be available for use by headquarters staff. It will not be necessary to assemble copies of the state antitrust laws, consumer credit laws, or food, drug and cosmetic laws since those items are readily available in the CCH Trade Regulation Reporter, the Consumer Credit Guide and the Food, Drug and Cosmetic Law Reporter, respectively. But state and local laws similar to the Federal Trade Commission Act, the Magnuson-Moss Warranty Act (re: warranties and rulemaking), and the Fair Packaging and Labeling Act should be furnished because they are not readily available from other sources.

### .2.3.4 Training of State and Local Law Enforcement Personnel

Headquarters and Regional Office staff should, to the extent feasible, provide training assistance to state and local agencies engaged in trade restraint and consumer protection law enforcement work, through participation in conferences, meetings, seminars and informal discussions. Such activities, other than informal discussions that do not involve a substantial expenditure of time, should be coordinated with the Office of the General Counsel (Attn: Coordinator, Federal-State and Consumer Relations) to avoid possible duplication as between headquarters and regional offices and to obtain maximum coverage and benefit.

### .2.3.5 List of Cooperating State and Local Officials

Each Regional Office should maintain a list showing names, addresses and telephone numbers of state and local agencies engaged in functions similar to those of the Commission, with indication of the types of matters that might be referred to each agency. The Coordinator, Federal-State and Consumer Relations in the Office of the General Counsel will assist in the preparation and maintenance of such lists, and will keep duplicates of the lists for information and use of headquarters staff.

### .2.3.6 Requests for Advice or Assistance

To the extent feasible, furnish information, advice, and assistance to state and local officials who are contemplating establishing programs or undertaking administrative or enforcement action consistent with the laws, programs and policies of the Commission.

### .2.3.7 Advocacy of Legislation

Effort should be made to bring about the enactment of state and local laws consistent with the laws and programs administered by the Commission at the national level, and to discourage the enactment of laws and ordinances which are inconsistent. Such activity may include testimony before state and local legislative bodies and will be carefully supervised by regional directors and assistant bureau directors, together with the Coordinator, Federal-State and Consumer Relations in the Office of the General Counsel, especially to avoid over involvement in matters primarily of intrastate or local significance. When the subject matter of the proposed testimony involves a particular enforcement program, the staff should consult the appropriate bureau if the matter is controversial or likely to need bureau legislation, adjudicatory matter or rulemaking proceeding, beyond information on the public record, without obtaining specific authorization from the General Counsel or the Commission.

.2.3.8 Consumer Protection Coordinating Committees

The Bureau of Consumer Protection and Regional Directors are authorized to participate in consumer protection law enforcement coordinating committees in metropolitan areas. See OM Ch. 15 regarding authorization to disclose certain information to participating state agencies.

.2.3.9 Effect of Trade Regulation Rules on State and Local Laws

As part of the federal-state relations activity, the staff should encourage participation by appropriate state and local officials in TRR proceedings pursuant to Section 1.14(a)(4) of the Commission's Procedures and Rules of Practice. See OM Ch. 7 on Rulemaking for further guidance.

..... **Language for Transmittal Memorandum**

It is further recommended that upon closure of the file, (attorney or Consumer Protection Specialist who recommended the closing and is knowledgeable about the matter) be authorized to refer non-exempt information and documents from the file to (state or local official) for such action as may be warranted under state or local law, and that the file be returned to the (regional office) for necessary action.

Illustration 2  
Ref. .2.3.1 on page 4

**Letter for Referral to State or Local Agencies**

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Dear :

The (Regional Office/Commission) has conducted an investigation involving alleged violation of the Federal Trade Commission Act (or other statute) by XYZ Company through (practice) in connection with the sale of (product).

Upon further review of this matter, it now appears that no further action by the staff is warranted at this time. Accordingly, the investigation has been closed. The action that has been taken is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Enclosed are pertinent documents from the file for your consideration to determine whether action might be warranted under state (local) law. If you have any questions about this matter, please feel free to call (name) at 000/000-0000.

Very truly yours,

(Name)  
Regional Director/  
Assistant Bureau Director

Enclosures  
(List of documents transmitted)

Appendix A Ref. .1.5 on page 1 LIAISON OFFICERS

LIAISON WITH OTHER FEDERAL AGENCIES

Ref. 14.1.5

Liaison arrangements with federal agencies showing the nature of the arrangement and the designated liaison officer or office are as follows:

1) Agriculture, Department of

The formal liaison agreement between the Commission and the Department of Agriculture covers the Packers and Stockyards

Act. The liaison officer of the Antitrust Division, Bureau of Competition, is the designated liaison officer for Agriculture and has available a copy of the liaison agreement.

2) Civil Aeronautics Board

The General Counsel is the designated liaison officer.

3) Commerce, Department of (See also 15 below)

The Executive Director and the Deputy Director for Operations, Bureau of Consumer Protection, are the designated liaison officers with the National Bureau of Standards.

4) Consumer Product Safety Commission

The Director of the Bureau of Consumer Protection and the Assistant General Counsel for Legislation are the designated liaison officers. The Assistant Director for Energy and Product Information coordinates dissemination of information relating to "RN" numbers assigned to manufacturers and distributors of textiles and apparel.

5) Council on Environmental Quality

The Assistant General Counsel for Litigation (Program AB), Bureau of Competition, is the designated liaison officer.

6) Energy, Department ofa) Federal Energy Regulatory Commission

The Assistant Director for litigation (Program AB), Bureau of Competition, is the designated liaison officer.

b) Other Matters

The Assistant Director for Litigation (Program AB), Bureau of Competition, is also the designated liaison officer for matters relating to the Energy Policy and Conservation Act and included in the Energy Study.

7) Environmental Protection Agency

(Pesticides and Gas Mileage) The Assistant Director for Energy and Product Information, Bureau of Consumer Protection, is the designated liaison officer.

8) Federal Communications Commission

The General Counsel is the designated liaison officer.

9) Federal Reserve Board

The Assistant Director for Credit Practices, Bureau of Consumer Protection, is the liaison officer for Equal Credit Opportunity Act and Truth-in-Lending Act matters.

10) Food and Drug Administration (HEW)

A liaison agreement between the Commission and the Food and Drug Administration governs liaison. The Director, Bureau of Consumer Protection, and the General Counsel are the designated liaison officers. The Assistant Director for Food and Drug Advertising is the principal liaison contact for the Bureau of Consumer Protection. A copy of the liaison agreement is available from the Assistant Director's office.

11) General Accounting Office

The Federal Reports Act requires the Federal Trade Commission and other federal independent regulatory agencies to obtain advance review and approval of any form, questionnaire, special report, etc., which will be directed to ten or more persons, seeking identical information and which is not exempt from such review under the Rules and Regulations of GAO, effective

July 2, 1974, and amended August 20, 1975. See OM Ch. 3 for further information regarding clearance requirements. The liaison officer for the Antitrust Division, Bureau of Competition, is the designated liaison officer.

12) Health, Education and Welfare, Department of

a) Office of Consumer Affairs

The General Counsel is the liaison officer for OCA matters. The Secretary coordinates the exchange of correspondence and related matters.

b) Office of Education (Vocational School Matters)

The Assistant Director for Marketing Abuses, Bureau of Consumer Protection, is the designated liaison officer for vocational school matters and with the Federal Interagency Committee on Education.

c) Other Matters (See also 10 above)

The General Counsel is the designated liaison officer.

13) Housing and Urban Development, Department of

a) Federal Housing Administration Matters



The General Counsel is the designated liaison officer.

b) Office of Interstate Land Sales Registration

Matters are handled pursuant to an informal arrangement by the Bureau of Consumer Protection: Division of Marketing Practices (land sales and condominiums).

c) Other Matters

The Assistant Director for Product Reliability and Standards, Bureau of Consumer Protection, is the designated liaison officer for mobile home sales.

14) Interagency Committee on Standards Policy

The General Counsel is the designated liaison officer.

15) Interior, Department of Fish and Wildlife Service  
Commerce, Department of National Marine Fisheries Services

The Assistant General Counsel for Legal Counsel is the designated liaison officer for matters relating to the Endangered Species Act.

16) International Trade Commission

The Assistant to the General Counsel for International Affairs is the designated liaison officer, designated pursuant to § 337 of the Tariff Act of 1930.

17) Justice, Department of

a) Responsibility of Liaison Officer

All requests for information (e.g. requests for clearance or witness immunity), are routed through a liaison officer. ( See OM Ch. 3.3.6.7.6.9, requests for immunity in investigational hearings, and OM Ch. 10.20, requests for immunity in

litigation). The liaison officer has available a copy of the memorandum of understanding between the Commission and the Department of Justice.

b) Designation of Liaison Officers

Bureau of Consumer Protection matters are routed through the Deputy Director for Operations, BCP. Bureau of Competition matters are routed through the liaison officer, Antitrust Division, BC. For criminal violations of Truth-in-Lending, the Assistant Director for Compliance, Bureau of Consumer Protection and the General Counsel are the designated liaison officers.

18) Management and Budget, Office of - Legislative Matters

The Assistant General Counsel for Legislation is the designated liaison officer for legislative matters pursuant to Executive Order.

19) Postal Service, U.S.

(Consumer Protection matters only). Where the facts indicate that proposed respondents may be engaged in mail fraud, contact the U.S. Postal Service to determine if there is a pending investigation. The Assistant Director for Marketing Practices, Bureau of Consumer Protection, is the designated liaison officer for headquarters staff; regional office staff may contact the appropriate local postmaster.

20) Small Business Administration

The General Counsel is the designated liaison officer.

21) State, Department of

An informal liaison arrangement exists pursuant to International Agreement. The Assistant Director for International Antitrust, Bureau of Competition, is the designated Liaison Officer.

22) Transportation, Department of

The Assistant Director for Litigation (Program AB), Bureau of Competition is the designated liaison officer as required by the Deepwater Port Act of 1974.

23) Treasury, Department of

The Commission handles liaison with the Treasury Department. The Assistant Director for Advertising Practices, Bureau of Consumer Protection, serves as the principal liaison contact with the Bureau of Alcohol, Tobacco and Firearms relating to alcohol and tobacco.

a) Foreign Investment Study of 1974

The Assistant to the General Counsel for International Affairs is the designated liaison officer.

b) U.S. Customs Service

The Division of Enforcement, Bureau of consumer Protection and the Regional Directors are the designated liaison officers for textile and wool matters.

24) Veterans Administration

The Assistant Director for Marketing Practices, Bureau of Consumer Protection, and the Regional Directors are the designated liaison officers for the Veterans Administration and the various state approval agencies. The Program Advisor for Vocational Schools is the principal contact for the Bureau of Consumer Protection.

NOTE: Liaison with the Canadian Department of Consumer and Corporate Affairs is coordinated by the Assistant to the Chairman for International Affairs.