FEDERAL TRADE COMMISSION

FISCAL YEAR 2003
CONGRESSIONAL JUSTIFICATION

Budget Summary

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FEDERAL TRADE COMMISSION FISCAL YEAR 2003 OVERVIEW STATEMENT AND BUDGET REQUEST

This statement supports a Federal Trade Commission Fiscal Year 2003 Congressional budget request of $171,599,000, an increase of $15,617,000 over the FTC's FY 2002 appropriation. This request supports 1,074 appropriated full-time-equivalent staff years (FTE), which are necessary to fulfill the FTC's missions. Separately, the Administration is proposing legislation requiring each agency to directly fund the full fiscal year cost of the Federal Employees Health Benefit and Civil Service Retirement System programs. Should this proposed legislation be enacted, the FTC's appropriation request would increase by $4,910,000 to $176,509,000.

BACKGROUND - FY 2001

The FTC is the only Federal agency with broad jurisdiction to enhance consumer welfare and protect competition in broad sectors of the economy. The FTC enforces the laws that prohibit business practices that are anticompetitive, deceptive, or unfair to consumers; promotes informed consumer choice and public understanding of the competitive process; and seeks to accomplish its mission without impeding legitimate business activity. By eliminating unfair or deceptive acts or practices in the marketing of goods and services, and by ensuring that markets function competitively, the FTC helps to bring the best products and lowest prices to consumers, to spur innovation, and to strengthen the economy.

During FY 2001, the FTC had a significant return-on-investment for consumers and businesses alike. Among other accomplishments, the FTC:

- Saved consumers an estimated $3.3 billion through law enforcement actions – a savings of $23 for each $1 spent on FTC operations.

- Addressed abusive personal privacy violations. The FTC obtained $100,000 in the first three civil penalty cases brought for violations of the Children's Online Privacy Protection Rule. In the Operation Detect Pretext enforcement effort, staff screened 1,000 Web sites, reviewed more than 500 print media advertisements, and identified approximately 200 firms that offered to obtain and sell asset or bank account information to third parties. As a result, the FTC filed three complaints in federal court against entities allegedly engaged in pretexting, and published a Consumer Alert titled "*Pretexting: Your Personal Information Revealed*."

- Established the agency as a key player protecting consumers against Identity Theft. The FTC's toll-free number, 877-ID-THEFT, received 4,000 calls each week to report incidents of ID theft or request related consumer information. Through the FTC's secure Consumer Sentinel Web site, more than 235 law enforcement members had access to more than 131,000 identity theft complaints to assist them in identifying and targeting the most serious consumer problems. In addition, following an October 2000 workshop with more than 170 participants, the FTC released a universal ID Theft Affidavit for use by victims of ID Theft and distributed more than 236,000 copies of its comprehensive education booklet, *ID Theft: When Bad Things Happen to Your Good Name.*

- Focused its antitrust enforcement resources on sectors of the economy that most directly affect consumers. In the energy sector, FTC actions in cases involving petroleum refining, distribution and marketing, and natural gas and electricity transmission will save consumers more than two billion dollars on fuel and utility bills. To ensure continued competition in a $16 billion merger involving natural gas transportation providers, *El Paso Energy Corporation* and *Coastal Corporation*, the FTC required a divestiture of interests in eleven separate natural gas pipelines totaling more than 2,500 miles of pipe. In *Chevron/Texaco*, a merger of two of the world's largest integrated oil companies, the FTC required divestitures of Texaco's stake in two joint ventures that held full or partial ownership of eight refineries, more than 100 terminals, and nearly 24,000 gasoline stations nationwide, along with Texaco's interests in a natural gas pipeline and fractionating plant and its general aviation business in 14 states. The FTC also completed two major investigations relating to the pricing of gasoline.

- Preserved competition and fair prices in the sale of prescription drugs. One action involved a merger between two leading pharmaceutical firms, *SmithKline Beecham plc* and *Glaxo Wellcome plc*, that allegedly threatened the development of a host of drugs – including one that reduces the side effects of cancer chemotherapy. Another action involved an alleged conspiracy to monopolize two widely prescribed anti-anxiety drugs. Yet another action alleged that pharmaceutical firms attempted to delay competition from generic drugs, which benefits consumers with lower prices and more choice.

- Directed increasing attention to matters involving high technology. For example, in reviewing the merger of *America Online, Inc.* and *Time Warner, Inc.*, the FTC acted to protect competition in the growing broadband market for Internet services. The settlement requires the merged company to open its cable system to rival Internet Service Providers and prevents it from interfering with non-affiliated firms' content.

- Expanded its outreach to consumers. The FTC launched two new Web sites to collect and share consumer complaint information: *Public Sentinel*, to provide the public with consumer fraud and ID Theft trend data and information; and *www.econsumer.gov*, to enhance consumer protection and confidence in global e-commerce. In addition, the FTC is in the process of launching a third Web site, *Soldier Sentinel*, to permit military service members to enter consumer complaints and receive education materials online.

CURRENT AND PLANNED ACTIVITIES – FY 2002

Consumer Protection Mission

Privacy. The FTC currently enforces a number of laws that address consumers' privacy. The Commission intends to increase substantially the resources dedicated to privacy protection. The areas of focus include: telemarketing, spam, ID Theft, and pretexting, as well as enforcement of the Children's Online Privacy Protection Act, the Gramm-Leach-Bliley Act, and the Telemarketing Sales Rule.

A major initiative of the agenda is the FTC's proposal to establish a national Do-Not-Call list by amending its regulations under the Telemarketing and Consumer Fraud and Abuse Prevention Act. The purpose of a national list is to enhance privacy by protecting consumers from unwanted and often intrusive telemarketing calls. Currently, consumers who do not want telemarketers to call them have to use a patchwork of do-not-call lists administered by states and the private sector. The FTC's national list would enable consumers through one phone call to remove their name from telemarketing lists nationwide.

Media Violence, Gambling, and Children. The FTC issued a report in September 2000 critical of the entertainment industry's calculated marketing of violent video games, movies and music to children. In response, the entertainment industry promised to undertake reforms and to comply with some of the report's recommendations. An FTC follow-up report completed in April 2001 found improvements in the movie and electronic game industries but no appreciable change in the music industry's target marketing practices, although it has made improvement in other areas. A second follow-up report was released in December 2001. Separately, Congress requested that the FTC continue its efforts in child protection through three related initiatives: consumer research and workshops, an underage shopper-retail compliance survey, and marketing and data collection. The results of the FTC's analysis of these initiatives will be contained in a subsequent report to be issued in the summer of 2002. Also, Congress has ordered the FTC to monitor whether online gambling sites are being marketed to children and whether proper procedures are in place to prevent participation by "persons too young to gamble."

Identifying consumer protection trends. Identifying critical consumer issues in today's fast-changing, increasingly global marketplace is a challenge. The FTC will continue to use its consumer complaint database to identify and target the most serious consumer problems. By broadly sharing its fraud complaints with other law enforcement partners, the FTC will enhance the effectiveness of law enforcement agencies across the United States, Canada, and Australia. Further, the FTC will continue training enforcement officials on how to bring cases involving new technologies. Since FY 2001, the FTC has educated more than 1,750 law enforcement personnel from more than 20 countries, 38 states, 23 U.S. federal agencies and 19 Canadian agencies.

Globalization. As the marketplace becomes more global, the FTC will serve two roles. First, it will continue to participate in international efforts to craft policies and self-regulatory programs to protect consumers. Second, it will build new international partnerships to tackle cross-border fraud through information sharing and coordinated law enforcement. The FTC is an active member of the International Marketing Supervision Network (IMSN), a network of consumer protection and fair trade organizations from more than two dozen countries. The IMSN identifies worldwide enforcement issues, facilitates the sharing of information about cross-border commercial activities affecting consumer interests and encourages international cooperation among law enforcement agencies.

Implemented responsibilities under new statutes. Under the Financial Modernization Act (Gramm-Leach-Bliley), the FTC is mandated to enforce the Act's privacy provisions with respect to thousands of financial institutions. The FTC will continue to provide extensive business guidance to institutions covered by the Act and enforce its new Gramm-Leach-Bliley Rule that became effective July 2001. The FTC also will finalize its proposed "Safeguards Rule," required by the Act, which will address the security and integrity of consumer information obtained by financial institutions. Finally, the FTC will continue to carry out other recent statutory responsibilities under the Identity Theft and Assumption Deterrence Act, and the Children's Online Privacy Protection Act.

Reaching consumers. The FTC's consumer education programs provide two key benefits. First, these programs inform consumers of their rights under various consumer protection laws. Second, they give consumers the information they need to identify and avoid fraud and deception in the marketplace. In FY 2002, the FTC will use national and local media, thousands of intermediary customers, and the *ftc.gov* and *consumer.gov* Web sites to reach millions of consumers across the country. The FTC also will continue to reach consumers through its Consumer Response Center and the hundreds of consumer protection organizations that distribute FTC materials and provide links to the FTC Web site. In FY 2001, the FTC issued 77 publications, distributed more than 5.4 million print publications, and logged more than 9.6 million accesses of its publications on the *ftc.gov* Web site.

Maintaining Competition Mission

Merger volume and nonmerger review. The dollar value of merger transactions reported in FY 2001 exceeded $1 trillion. While the recently revised Hart-Scott-Rodino Act ("HSR") filing threshold reduced the number of reportable filings by approximately half, reported mergers still continue to increase in size, scope, and complexity. In addition, since the revised HSR filing threshold eliminates the reporting requirement for smaller mergers, but does not change the substantive standard of review, the FTC is increasing its efforts to monitor marketplace developments to maintain its ability to take action on non-reportable mergers that could still harm consumers. Further, as the merger wave subsides, the FTC is devoting more available resources to the nonmerger area. In 2001, the FTC opened 56 new nonmerger investigations, more than double the number of new non-merger cases begun in the previous year.

Increased sophistication and complexity of merger and nonmerger matters. The review of large transactions to determine if they could harm competition is frequently more complex and time-consuming than is the review of smaller transactions. Large merger transactions may typically involve many more separate product and geographic markets, each of which requires a separate analysis. In addition, high technology markets and other rapidly developing industries require a careful analysis of innovative products and services. As a result, more than ever, FTC investigations may involve difficult scientific and technical material, and new areas of the law beyond traditional antitrust, such as intellectual property.

Increasing data and econometric emphasis of antitrust matters. While the FTC resolves most cases through settlement, it is sometimes necessary to litigate an antitrust challenge where the stakes may run into the billions of dollars. In these circumstances, the opposing parties inevitably assemble a team of the best private-sector legal, economic, and other talent that money can buy to defend against the government's challenge. While the FTC clearly cannot spend equivalent funds, to protect consumers the agency must have the resources and expertise needed to help level the playing field in these complicated and high-stakes cases.

Outreach efforts. As part of the Maintaining Competition Mission, the FTC undertakes efforts to increase its understanding and awareness of important emerging industries and issues, such as business-to-business (B2B) and business-to-consumer (B2C) electronic commerce. The FTC also increases awareness of antitrust law through guidance to the business community; outreach efforts to Federal, state and local agencies, business groups and consumers; the development and publication of antitrust guidelines and policy statements; and speeches and publications. In FY 2002, the agency will assess the need for additional workshops, and whether its ongoing outreach efforts effectively target audiences and address critical issues in the marketplace.

NEEDED RESOURCES - FISCAL YEAR 2003

The FTC's appropriation request for $171,599,000 will support 1,074 FTE. The increase of $15,617,000 over FY 2002 includes:

- $7,352,000 for mandatory base expenses.
- $3,265,000 for systems support and increased physical security for staff.
- $5,000,000 for a national Do-Not-Call list.

Separately, the FTC's appropriation request would increase by an additional $4,910,000 to $176,509,000 should new government-wide legislation proposed by the Administration be enacted. This proposed legislation would directly fund each agency for the full fiscal year cost of the Federal Employees Health Benefit and Civil Service Retirement System.

Mandatory base expenses. [$7,352,000]. Mandatory base expenses include: (1) the annualized cost for three months of the FY 2002 year pay increase and nine months cost of an FY 2003 pay raise at an annual rate of 2.4 percent ($3,106,000); (2) non-pay inflation at 2.1 percent ($1,046,000); (3) increased rental of space ($1,700,000); and Consumer Response Center (CRC) contract costs ($1,500,000). An increase in rent is needed for newly leased space at 601 New Jersey Avenue, N.W., Washington, D.C., in anticipation of the upcoming expiration of a current lease at 601 Pennsylvania Avenue, N.W. The CRC request funds a timely response to all consumer inquiries and, because of the success of the Center, a higher level of calling volume than previously estimated.

Systems support and the increased physical security for staff. [$3,265,000] System support ($1,165,000) is required to enhance the capabilities of the FTC's Consumer Information System. It will make current and complete information directly and immediately available to CRC staff, and improve the data gathering and analysis capabilities of mission staff through enhanced data monitoring, mining and storage techniques. Funds for improved security ($2,100,000) are needed to safeguard agency employees in the case of future terrorist attacks such as those committed against the United States on September 11, 2001. This security funding request includes physical security upgrades to the FTC headquarters building, a building wide-communication system, enhanced scanning equipment, and expert services to maintain FTC security policies, plans, procedures, and operations.

National Do-Not-Call List. [$5,000,000]. A national Do-Not-Call list would protect consumers from unwanted and intrusive telemarketing calls, and bring nationwide consistency to the current patchwork of do-not-call lists administered by states and the private sector. The FTC estimates that up to 40 percent of all households in the United States would opt to be included on the Do-Not-Call list. The FTC is seeking to implement and manage the list through amendments to its regulations under the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101, *et seq.*] A formal rulemaking process has begun. Until the process is complete and the FTC adopts final rules, staff cannot finalize the technical requirements or full scope of the project. Therefore, the final cost of the national list is subject to change.

Proposed Legislation. [$4,910,000]. The Administration has proposed legislation to require agencies, beginning in FY 2003, to pay the full Government share of accruing costs of retirement for current Civil Service Retirement System (CSRS) employees. The legislation also requires agencies to pay the full accruing cost of post-retirement health benefits for current civilian employees. The purpose of the legislation is to budget and present the full costs of Federal employees in the accounts and programs where they are employed. Should this proposed legislation be enacted, the FTC's share would be $2,151,000 for CSRS retirement and $2,759,000 for post-retirement health benefits.

OFFSETTING COLLECTIONS

Hart-Scott-Rodino Premerger Filing Fees.

This submission assumes offsetting HSR fee collections will provide the FTC $175,000,000 in FY 2003. The fees are authorized by section 605 of Public Law 101-162, as amended effective February 1, 2001, in the FY 2001 Commerce-Justice-State Appropriations Act (Section 630, Public Law 106-553). The FTC and Department of Justice Antitrust Division each receive 50 cents of each dollar collected.

The amount of HSR revenue that will be collected in FY 2002 is uncertain. A variety of causes led to a significant reduction of offsetting collection receipts in FY 2001. One cause for the shortfall was the December 2000 enactment date of the FTC's FY 2001 appropriation bill that delayed the effective date of the new HSR fee structure to February 1, 2001. A second cause was the stock market decline occurring during February and March 2001 - the Dow Jones Industrial Average was down 9 percent, the NASDAQ was down 34 percent, and the Standard & Poor index was down by 16 percent - and the following recession that began in April 2001. As FY 2002 continues, the FTC will closely monitor and keep the Appropriations Committees fully informed regarding the status of HSR offsetting collections.

The FY 2003 fee estimate is based on a model of HSR filing data from 1999 to 2001 and a November 2001 projection of Gross Domestic Product by the Congressional Budget Office, and also uses a June 2001 Livingston Survey projection of change in the S&P500 as an explanatory variable.

Do-Not-Call Fees.

This submission assumes offsetting collections of $3,000,000 from a new Do-Not-Call fee. The fee would be assessed, collected, and used to cover the costs of developing, implementing, and maintaining a national database of telephone numbers of consumers who choose not to receive telephone solicitations from telemarketers. Since the FTC is seeking to implement and manage the list through amendments to its regulations under the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101, *et seq.*], the development of the fee structure will be subject to notice and comment as part of a rulemaking process.

GOVERNMENT PERFORMANCE AND RESULTS ACT ("GPRA")

This FY 2003 budget request is based on the FTC's current GPRA strategic plan. A subsequent section of this submission contains the FTC's FY 2002 and FY 2003 Performance Plans and an exhibit of performance measures. The FTC's key performance measure is the dollar savings to consumers expected from enforcement actions in both the Consumer Protection and Maintaining Competition Missions. In each of the last two years, these savings have far exceeded the FTC's costs. This trend is expected to continue.

FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") amends the Federal Deposit Insurance Act. It imposes certain disclosure requirements on non-federally insured depository institutions and requires that the FTC prescribe the manner and content of those disclosures. The FDICIA also authorizes the FTC, in consultation with the Federal Deposit Insurance Corporation, to exempt depository institutions from a prohibition that bars them from taking or facilitating the taking of deposits unless the state supervisor of the state in which the institution is chartered has determined that the institution meets all eligibility requirements for federal deposit insurance.

In past communications with Congress and the Office of Management and Budget, the Commission has consistently opposed the FDICIA's assignment of these responsibilities to the FTC. Each year since enactment, appropriation language has barred the FTC from implementing the regulatory and enforcement requirements under section 151 of the Act. Consistent with these previous prohibitions, the proposed appropriation language for FY 2003 continues to prohibit the FTC from spending funds on responsibilities under section 151 of the Act.

Budget Summary

($ in thousands)

Budget by Mission:	Fiscal Year 2002 FTE	Fiscal Year 2002 Dollars	Fiscal Year 2003 FTE	Fiscal Year 2003 Dollars	Change FTE	Change Dollars
Consumer Protection	569	$82,585	569	$94,472	0	$11,887
Maintaining Competition	505	73,397	505	77,127	0	3,730
Total w/o Proposed Legislation*	1,074	$155,982	1,074	$171,599	0	$15,617
Proposed Legislation*	0	4,881	0	4,910	0	29
Total	1,074	$160,863	1,074	$176,509	0	$15,646

Budget by Organization:	Fiscal Year 2002 FTE	Fiscal Year 2002 Dollars	Fiscal Year 2003 FTE	Fiscal Year 2003 Dollars	Change FTE	Change Dollars
Headquarters	928	$140,399	928	$155,573	0	$15,174
Regions	146	15,583	146	16,026	0	443
Total w/o Proposed Legislation*	1,074	$155,982	1,074	$171,599	0	$15,617
Proposed Legislation*	0	4,881	0	4,910	0	29
Total	1,074	$160,863	1,074	$176,509	0	$15,646

Budget by Funding Source:	Fiscal Year 2002 Dollars	Fiscal Year 2003 Dollars	Change Dollars
HSR Filing Fees Current Year	$160,863 **	$173,509	$12,646
Do-Not-Call Fees	0	3,000	3,000
Total	$160,863	$176,509	$15,646

* The Administration's proposal to fully fund federal employee retirement costs.

** Includes $4,881,000 for the Administration's proposal.

Summary of Changes
($ in thousands)

	FY 2002 Estimate	FY 2003 Estimate	Net Change
Budget Authority w/o Proposed Legislation*.	$155,982	$171,599	+$15,617
Proposed Legislation*.	4,881	4,910	+29
Total.	$160,863	$176,509	+$15,646
Full-time Equivalents.	1,074	1,074	0

Explanation of Change:	FTE	Dollars
FY 2002 Appropriation	1,074	$155,982
Base Adjustments:		
To provide for the annualization of the 2002 pay increase and 2003 pay increase effective January 2003.	---	+ $3,106
To provide for increases in other non-personnel services.	---	+ 1,046
To provide for increased space costs.	---	+ 1,700
To provide for increased costs of the Consumer Response Center.	---	+ 1,500
Sub-total Base Adjustments.	0	+ $7,352

* The Administration's proposal to fully fund federal employee retirement costs.

Program Increases:

To provide for increased Consumer Information System support & physical security.	---	+ $3,265
To provide for a National Do-Not-Call List.	---	+ 5,000
Sub-total Program Increases	0	+ $8,265
Total Change.	0	+ $15,617
FY 2003 Total w/o Proposed Legislation*. . .	1,074	$171,599
Proposed Legislation*.	---	+ 4,910
FY 2003 Total.	1,074	$176,509

* The Administration's proposal to fully fund federal employee retirement costs.

Annual Performance Plan Objectives by Program FTE

Consumer Protection Mission

	Fiscal Year 2002				Fiscal Year 2003			
	CP Obj. 1	CP Obj. 2	CP Obj. 3	Prgm. Total	CP Obj. 1	CP Obj. 2	CP Obj. 3	Prgm. Total
Advertising Practices	7	56	2	65	7	56	2	65
Marketing Practices	13	128	5	146	13	128	5	146
Financial Practices	6	46	2	54	6	46	2	54
Enforcement	3	50	2	55	3	50	2	55
Planning & Information	49	6	5	60	49	6	5	60
Consumer & Business Education	0	0	15	15	0	0	15	15
Economic & Consumer Policy Analysis	0	4	2	6	0	4	2	6
Program Management	6	18	3	27	6	18	3	27
CP Mission Support	28	101	12	141	28	101	12	141
Total Mission	**112**	**409**	**48**	**569**	**112**	**409**	**48**	**569**

Maintaining Competition Mission

	Fiscal Year 2002				Fiscal Year 2003			
	MC Obj. 1	MC Obj. 2	MC Obj. 3	Prgm. Total	MC Obj. 1	MC Obj. 2	MC Obj. 3	Prgm. Total
Premerger Notification	17	0	11	28	17	0	11	28
Merger & Joint Venture Enforcement	11	186	11	208	11	186	11	208
Merger & Joint Venture Compliance	1	9	1	11	1	9	1	11
Nonmerger Enforcement	6	92	5	103	6	92	5	103
Nonmerger Compliance	0	7	0	7	0	7	0	7
Antitrust Policy Analysis	2	3	2	7	2	3	2	7
Other Direct Mission Resources	4	9	3	16	4	9	3	16
MC Mission Support	14	100	11	125	14	100	11	125
Total Mission	**55**	**406**	**44**	**505**	**55**	**406**	**44**	**505**

Annual Performance Measures

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Consumer Protection Mission **Goal 1: Prevent fraud, deception, and unfair business practices in the marketplace.**					
Objective 1.1–Identify fraud, deception, and unfair practices that cause the greatest consumer injury.					
Measure 1.1.1: Annual number of consumer complaints and inquiries entered into database.	----	----	430,000	400,000	450,000
Objective 1.2–Stop fraud, deception and unfair practices through law enforcement:					
Measure 1.2.1: Dollar savings for consumers from FTC actions which stop fraud.	$454 million	$265 million	$487 million	$400 million	$400 million
Measure 1.2.2: Total expenditures of deceptive or unfair advertising campaigns stopped.	----	----	$86 million	$100 million	$100 million
Objective 1.3–Prevent consumer injury through education:					
Measure 1.3.1: Number of education publications distributed to or accessed electronically by consumers.	8.6 million	11.0 million	15.0 million	10.5 million	11.0 million
Maintaining Competition Mission **Goal 2: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace.**					
Objective 2.1–Identify anticompetitive mergers and practices that cause the greatest consumer injury:					
Measure 2.1.1: Percent of HSR second requests resulting in enforcement action.	----	----	68%	50%	50%
Measure 2.1.2: Number of nonmerger investigations opened per year.	45	25	56	45-70	45-70
Objective 2.2–Stop anticompetitive mergers and practices through law enforcement:					
Measure 2.2.1: Positive outcome of cases brought by FTC due to alleged violations.	80%	97%	94%	80%	80%
Measure 2.2.2: Dollar savings for consumers resulting from FTC actions stopping anticompetitive mergers.	$1,200 million	$2,980 million	$2,780 million	$800 million	$800 million

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2003 Target
Measure 2.2.3: Dollar savings for consumers resulting from FTC actions stopping anticompetitive nonmerger activity.	----	----	$164 million	$200 million	$200 million
Objective 2.3–Prevent consumer injury through education:					
Measure 2.3.1: Quantify number of education and outreach efforts.	----	----	141	determine baseline	determine baseline
Measure 2.3.2: Quantify number of hits on antitrust information on FTC Web site.	----	----	2.6 million	determine baseline	determine baseline

Proposed Appropriations Language

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $2,000 for official reception and representation expenses, [$155,982,000] *$176,509,000, to remain available until expended: Provided*, That not to exceed $300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718, as amended; *Provided further,* That, notwithstanding any other provision of law, not to exceed [$155,982,000] *$173,509,000* of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), regardless of the year of collection, shall be retained and used for necessary expenses in this appropriation [, and shall remain available until expended]; *and offsetting collections derived from fees, estimated at $3,000,000, shall be assessed, collected, and used to cover the costs of developing, implementing, and maintaining a national database of telephone numbers of consumers who choose not to receive telephone solicitations, as authorized by the Telephone Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.): Provided further,* That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year [2002] *2003*, so as to result in a final fiscal year [2002] 2003 appropriation from the general fund estimated at not more than $0 [, to remain available until expended]: *Provided further*, That none of the funds made available to the Federal Trade Commission shall be available for obligation for expenses authorized by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102-242; 105 Stat. 2282-2285). *(Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)*

Program and Financing

As presented in the *Appendix of the Budget of the United States Government*.

($ in millions)

Identification Code: 29-0100-0-1-376	FY 2001 Actual	FY 2002 CY	FY 2003 BY
Obligations by program activity:			
01.01 Maintaining Competition	28	…	...
01.02 Consumer Protection	31	…	...
01.92 Subtotal, direct program	59	…	...
09.01 Maintaining Competition	42	75	79
09.02 Consumer Protection	50	86	98
09.03 Reimbursable Program .	1	1	1
09.99 Total Reimbursable Program	93	162	178
10.00 Total New Obligations	152	162	178
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	6	6
22.00 New budget authority (gross)	153	162	178
22.10 Resources avaliable from recoveries of prior year obligations	1	…	...
23.90 Total budgetary resources available for obligation	158	168	184
23.95 Total new obligations	-152	-162	-178
24.40 Unobligated balance available, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
Spending authority from offsetting collections			
40.00 Appropriation	59	…	...
68.00 Offsetting collections (HSR Fees)	91	163	175
68.00 Offsetting collections (Do Not Call Fees)	...	…	3
68.00 Offsetting collections (Fed. Reimb. Progm.)	1	1	1
68.26 From offsetting collections (unavailable balances)	2	…	5
68.45 Portion not available for obligation (limitation on obligations)	...	-2	-6
68.90 Spending authority from offsetting collections (total)	94	162	178
70.00 Total new budget authority (gross)	153	162	178
Change in obligated balances:			
72.40 Obligated balance, start of year	17	29	27
73.10 Total new obligations [1]	152	162	178
73.20 Total outlays (gross)	-139	-164	-177
73.45 Adjustments in unexpired accounts	-1	…	...
74.40 Obligated balance, end of year	29	27	28
Outlays (gross) detail:			
86.90 Outlays from new discretionary authority	132	149	164
86.93 Outlays from discretionary balances	2	15	13
87.00 Total outlays (gross)	139	164	177
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	1	1	1
88.40 Non-Federal sources - HSR Fees	91	163	175
88.40 Non-Federal sources - Do Not Call Fees	...	…	3
88.90 Total offsetting collections (cash)	92	164	179
Net budget authority and outlays:			
89.00 Budget Authority	61	-2	-1
90.00 Outlays (net)	47	…	-2

[1] Includes $1 million in each fiscal year for obligation of funds reimbursed by other federal agencies.

Program and Financing

Excludes the Administration's proposal to fully fund federal employee retirement costs.

($ in millions)

Identification Code: 29-0100-0-1-376	FY 2001 Actual	FY 2002 CY	FY 2003 BY
Obligations by program activity:			
01.01 Maintaining Competition	28	...	...
01.02 Consumer Protection	31	...	...
01.92 Subtotal, direct program	59	...	...
09.01 Maintaining Competition	40	73	77
09.02 Consumer Protection	47	83	95
09.03 Reimbursable Program .	1	1	1
09.99 Total Reimbursable Program	88	157	173
10.00 Total New Obligations	147	157	173
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	6	6
22.00 New budget authority (gross)	148	157	173
22.10 Resources avaliable from recoveries of prior year obligations	1	...	...
23.90 Total budgetary resources available for obligation	153	163	179
23.95 Total new obligations	-147	-157	-173
24.40 Unobligated balance available, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
Spending authority from offsetting collections			
40.00 Appropriation	59	...	...
68.00 Offsetting collections (HSR Fees)	86	158	175
68.00 Offsetting collections (Do Not Call Fees)	...	...	3
68.00 Offsetting collections (Fed. Reimb. Progm.)	1	1	1
68.26 From offsetting collections (unavailable balances)	2	...	...
68.45 Portion not available for obligation (limitation on obligations)	...	-2	-6
68.90 Spending authority from offsetting collections (total)	89	157	173
70.00 Total new budget authority (gross)	148	157	173
Change in obligated balances:			
72.40 Obligated balance, start of year	17	29	27
73.10 Total new obligations [1]	147	157	173
73.20 Total outlays (gross)	-134	-159	-172
73.45 Adjustments in unexpired accounts	-1	...	...
74.40 Obligated balance, end of year	29	27	28
Outlays (gross) detail:			
86.90 Outlays from new discretionary authority	132	144	159
86.93 Outlays from discretionary balances	2	15	13
87.00 Total outlays (gross)	134	159	172
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	1	1	1
88.40 Non-Federal sources - HSR Fees	86	158	175
88.40 Non-Federal sources - Do Not Call Fees	...	...	3
88.90 Total offsetting collections (cash)	87	159	179
Net budget authority and outlays:			
89.00 Budget Authority	61	-2	-6
90.00 Outlays (net)	47	...	-7

[1] Includes $1 million in each fiscal year for obligation of funds reimbursed by other federal agencies.

Object Classification

As presented in the *Appendix of the Budget of the United States Government*.

($ in millions)

Identification Code: 29-0100-0-1-376	FY 2001 Actuals	FY 2002 CY	FY 2003 BY
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent	28	...	...
11.3 Other than full-time permanent	3	...	...
11.5 Other personnel compensation	1	...	...
11.9 Total Personnel compensation	32	...	...
12.1 Civilian personnel benefits	7	...	...
21.0 Travel and transportation of persons	1	...	...
23.1 Rental payments to GSA	6	...	...
23.3 Communications, utilities, and misc. charges	1	...	...
25.1 Advisory and assistance services	5	...	...
25.2 Other services	1	...	....
25.3 Purchases of goods and services from government accounts	1	...	....
25.4 Operation and maintena ce of facilities	1	...	...
31.0 Equipment	4	...	...
99.0 Subtotal, Direct obligations	59	...	...
Reimbursable Obligations			
Personnel Compensation:			
11.1 Full-time permanent	42	80	82
11.3 Other than full-time permanent	4	7	7
11.5 Other personnel compensation	1	2	2
11.9 Total personnel compensation	47	89	91
12.1 Civilian personnel benefits	16	25	26
21.0 Travel and transportation of persons	1	2	2
23.1 Rental payments to GSA	6	14	16
23.2 Rental payments to others	1	...	....
23.3 Comm., utilities & misc. charges	2	3	3
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	7	14	22
25.2 Other services	1	2	2
25.3 Purchases of goods and services from government accounts	2	2	2
25.4 Operation & maint. of facilities	1	1	1
25.7 Operation & maint. of equipment	...	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	7	7	10
99.0 Subtotal, Reimbursable obligations [1]	93	162	178
99.9 Total new obligations	152	162	178

[1] Includes $1 million in each fiscal year for obligation of funds reimbursed by other federal agencies.

Object Classification

Excludes the Administration's proposal to fully fund federal employee retirement costs.
($ in millions)

Identification Code: 29-0100-0-1-376	FY 2001 Actuals	FY 2002 CY	FY 2003 BY
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent	28	...	...
11.3 Other than full-time permanent	3	...	...
11.5 Other personnel compensation	1	...	...
11.9 Total Personnel compensation	32	...	...
12.1 Civilian personnel benefits	7	...	...
21.0 Travel and transportation of persons	1	...	...
23.1 Rental payments to GSA	6	...	...
23.3 Communications, utilities, and misc. charges	1	...	...
25.1 Advisory and assistance services	5	...	...
25.2 Other services	1	...	....
25.3 Purchases of goods and services from government accounts	1	...	....
25.4 Operation and maintena ce of facilities	1	...	...
31.0 Equipment	4	...	...
99.0 Subtotal, Direct obligations	59	...	...
Reimbursable Obligations			
Personnel Compensation:			
11.1 Full-time permanent	42	80	82
11.3 Other than full-time permanent	4	7	7
11.5 Other personnel compensation	1	2	2
11.9 Total personnel compensation	47	89	91
12.1 Civilian personnel benefits	11	20	21
21.0 Travel and transportation of persons	1	2	2
23.1 Rental payments to GSA	6	14	16
23.2 Rental payments to others	1	...	....
23.3 Comm., utilities & misc. charges	2	3	3
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	7	14	22
25.2 Other services	1	2	2
25.3 Purchases of goods and services from government accounts	2	2	2
25.4 Operation & maint. of facilities	1	1	1
25.7 Operation & maint. of equipment	...	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	7	7	10
99.0 Subtotal, Reimbursable obligations [1]	88	157	173
99.9 Total new obligations	147	157	173

[1] Includes $1 million in each fiscal year for obligation of funds reimbursed by other federal agencies.

Personnel Summary

Identification Code: 29-0100-0-1-376	FY 2001 estimate	FY 2002 estimate	FY 2003 estimate
Reimbursable			
Full-time equivalent employment	1,010 [1]	1,080 [2]	1,080 [2]

[1]Includes 3 FTE reimbursed by other federal agencies.

[2]Includes 6 FTE reimbursed by other federal agencies.