

Reading the Tea Leaves in the FTC's 2024 Congressional Budget Request

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On March 13, 2023, the FTC submitted its 2024 budget request to Congress, along with a performance plan for FY 2023-2024 and a performance report for FY 2022. While generally an aspirational document, the budget includes a few notable asks that provide clues about agency priorities in the consumer protection space:

- **More money**: The FTC is requesting a budget of \$590 million and 1,690 full-time staff. By comparison, the FTC requested \$490 million and 1,440 FTEs in its 2023 budget and \$389 million and 1,250 FTEs in its 2022 budget. In relation to the agency's 2020 requested budget (\$312 million), this represents nearly a doubling of agency budget requests in the past four years, further emphasizing Chair Khan's commitment to increasing the agency's influence and impact.
- More investigations, especially in privacy and data security: The Privacy and Identity Protection program is slated to receive the most additional full-time employees (FTEs) under the expanded budget request (from 79 to 103 proposed FTEs), with Financial Practices and Marketing Practices in the runner-up spots (14 and 12 FTE increases, respectively). The FTC states it intends to use additional resources in part to investigate and litigate more matters involving health privacy and children's privacy; unfair or deceptive practices by platforms; frauds using new technologies in the areas of online and mobile transactions; harmful practices in multilevel marketing and the gig economy; and unlawful conduct in the fintech and payment processing space.
- More rulemaking and POA compliance monitoring: The agency's rulemaking efforts aren't slowing down anytime soon: additional FTEs are in the plan for the Office of Policy Planning (OPP) to increase rulemaking capacity, among other things, and the agency is also seeking additional economists to "help the agency assess the costs and benefits of alternative policy approaches" and provide guidance on rulemakings. In addition, increased resources will also be used for "monitoring compliance with Notices of Penalty Offenses," which are part of the agency's initiative to deter fraud market-wide.
- More 6(b) studies: Under its 6(b) authority, the FTC can issue orders to companies to provide information outside the context of a law enforcement investigation. Section 6(b) orders operate as subpoenas, legally compelling targets to share information on requested topics. The agency is seeking additional resources in OPP and in its newly announced Office of Technology to carry out these 6(b) studies, which will be used for "developing and implementing long-range competition and consumer protection enforcement and policy initiatives and advis[ing] staff on cases raising new or complex policy and legal issues." New 6(b) orders on two separate topics

are already on deck for the FTC's March 16 open meeting (deceptive advertising on social media and business credit reporting agencies). Former commissioner Phillips raised some interesting concerns regarding the agency's current use of its 6(b) authority, arguing that recent inquiries have been too broad and unlikely to yield usable information.

With an announced departure date of March 31, 2023, Commissioner Wilson didn't participate in the vote to issue the budget request, which was 3-0.