



## NATIONAL CONSUMERS LEAGUE

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### The National Consumers League's Priorities For the Federal Trade Commission

#### Introduction

The National Consumers League is pleased to have this opportunity to present this summary of our public policy objectives for the Federal Trade Commission to the President-Elect's transition team. The National Consumers League is the nation's oldest consumer organization. NCL's mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad.

We are greatly encouraged by your outreach to a wide spectrum of consumer groups and look forward to a productive working relationship with the FTC as the new Administration begins its term in office.

#### Major Priorities

- **Properly enforce the Used Car Rule:** The FTC is charged with enforcing the Buyer's Guide sticker, which is required to be posted on the side window of every used car sold by a dealer. The sticker tells whether a service contract is available and whether a used car is being sold with a warranty, with implied warranty only, or "as is." The Used Car Rule as currently drafted and enforced fails to protect the public from rampant fraud. Properly enforced, the Used Car Rule has unique potential for significantly reducing the risks involved in buying used cars.
- **Reign in anti-consumer practices in the prepaid calling card industry:** The FTC should establish clear rules regarding anti-consumer practices in the prepaid calling card industry. For example, card providers' advertising materials should be required to disclose terms and conditions and clearly list per-minute rates and any fees or surcharges associated with the cards. The FTC should take aggressive action against card issuers that continue to victimize consumers.
- **End abuse of the "established business relationship" exemption in do-not call legislation:** The FTC is charged with maintaining and enforcing compliance with the National Do-Not-Call Registry. Many marketers are skirting the legislation by deceptively enticing consumers into "established business relationships" (EBR) through a variety of means, such as sweepstakes entry forms. The FTC should require marketers to use a "double opt-in" system before placing a consumer's telephone number on their lists of EBR-exempted numbers.



- **Create a consumer education grant program:** As more Americans, particularly seniors and low-income consumers, get online for the first time, they are increasingly falling victim to online fraud. Consumers often look to non-governmental organizations for much of their information about fraud. The FTC should support such organizations' consumer education activities via a grant program which could spur innovation in fighting fraud and encourage interaction with audiences that the agency does not currently reach.
- **Increase FTC's anti-trust enforcement role:** Over the last eight years, the FTC's anti-trust enforcement mission has been de-prioritized. The Obama Administration should more rigorously review proposed mergers to ensure that consumers benefit from robust competition. The agency should also seek out and address anticompetitive business practices in their infancy before they become entrenched.
- **Make the position of FTC Chairman a bully pulpit for consumer protection:** As the nation's chief consumer watchdog, the FTC Chairman should have a greater voice in the national dialogue about consumer issues.

### Opportunities

- **Transparency of FTC resources:** While the FTC's Bureau of Consumer Protection does an excellent job of educating consumers, more can be done to increase the FTC's usefulness as a consumer resource. For instance, Consumer Sentinel Network complaint data should be accessible to the general public, not just law enforcement, to enable consumers to vet businesses themselves.
- **Leverage new technology:** The FTC has begun to leverage the wealth of digital tools, such as online video, to educate new audiences. However, more can be done. The community of online voices, including bloggers and online social network users should be engaged to help publicize the FTC's message and better enable consumers to rely on each other to avoid fraud.

### Challenges

- **Growing mission requires additional resources:** President Obama and the new Congress should work together to give the FTC sufficient resources to meet the growing threat of online fraud. The growth of the Internet has contributed to an explosion in the breadth and complexity of fraud. Despite a growing mission (identity theft, CAN-SPAM, Do Not Call Registry) the FTC's staff is only 62% of the size it was in 1979.
- **International scope of fraud hampers enforcement:** Most online fraud is coordinated overseas, often by gangs of organized criminals. The sheer volume and complexity of online fraud, combined with a lack of coordination among international consumer protection agencies on fraud control, makes it extremely difficult to bring online fraudsters to justice.