

## UNITED STATES OF AMERICA Federal Trade Commission

WASHINGTON, D.C. 20580

## Dissenting Statement of Commissioner Melissa Holyoak Regarding Closed Commission Meeting Held on January 16, 2025

January 16, 2025

Four days before the Trump-Vance administration takes office, Chair Khan presided over a closed Commission meeting to consider and vote on multiple nonpublic law-enforcement matters. I voted against holding this closed Commission meeting. And I abstained from all Commission deliberations and votes on nonpublic law-enforcement matters raised at this meeting today. The reason is simple—Chair Khan and the Biden-Harris Commission should be focused on facilitating an orderly transition to the Trump-Vance administration, not furthering their misguided policy objectives. It is wholly improper for this lame-duck Commission to expedite law enforcement matters, issue notices and advance notices of proposed rulemakings, release new enforcement policy statements and guidance, and issue interim findings from ongoing 6(b) studies. But it's no surprise that Chair Khan has continued to flout existing norms. Indeed, after presiding over this closed meeting today, Chair Khan took the unusual step of publicly disclosing the existence of a pending complaint referral to the Department of Justice. Chair Khan also spent last week holding "exit interviews" with various media outlets in a shameless attempt to burnish her legacy and defend her misguided policy objectives.

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<sup>&</sup>lt;sup>1</sup> See Event Description, Fed. Trade Comm'n, January 16, 2025 Closed Commission Meeting, https://www.ftc.gov/news-events/events/2025/01/closed-commission-meeting.

<sup>&</sup>lt;sup>2</sup> See Dissenting Statement of Comm'r Andrew N. Ferguson, Joined by Comm'r Melissa Holyoak, *In the Matter of the Business Opportunity and Earnings Claim Rulemaking Notices*, FTC Matter Nos. R111003 & R511993 (Jan. 13, 2025), https://www.ftc.gov/system/files/ftc\_gov/pdf/ferguson-holyoak-dissent-bizopp-and-earnings-notices.pdf.

<sup>&</sup>lt;sup>3</sup> See Dissenting Statement of Comm'r Andrew N. Ferguson, Joined by Comm'r Melissa Holyoak, *In the Matter of the Enforcement Policy Statement on Exemption of Protected Labor Activity by Workers from Antitrust Liability*, FTC Matter No. P251201 (Jan. 14, 2025), <a href="https://www.ftc.gov/system/files/ftc\_gov/pdf/labor-exemption-policy-statement-ferguson-dissent.pdf">https://www.ftc.gov/system/files/ftc\_gov/pdf/labor-exemption-policy-statement-ferguson-dissent.pdf</a>.

<sup>&</sup>lt;sup>4</sup> See, e.g., Staff Report, House Comm. on Oversight and Accountability, The Federal Trade Commission under Chair Lina Khan: Undue Biden-Harris White House Influence and Sweeping Destruction of Agency Norms (Oct. 31, 2024), <a href="https://oversight.house.gov/wp-content/uploads/2024/10/HCOA-Majority-Staff-Report-FTC-Investigation.pdf">https://oversight.house.gov/wp-content/uploads/2024/10/HCOA-Majority-Staff-Report-FTC-Investigation.pdf</a>; Dissenting Statement of Comm'r Melissa Holyoak, In the Matter of the Negative Option Rule, FTC Matter No. P064202, at 2-3, 5 (Oct. 16, 2024), <a href="https://www.ftc.gov/system/files/ftc\_gov/pdf/holyoak-dissenting-statement-re-negative-option-rule.pdf">https://www.ftc.gov/system/files/ftc\_gov/pdf/holyoak-dissenting-statement-re-negative-option-rule.pdf</a>.

<sup>&</sup>lt;sup>5</sup> See, e.g., Wall Street Journal, FTC Chair Lina Khan's Exit Interview: Challenging AI, Big Tech and More (Jan. 12, 2025), <a href="https://www.wsj.com/video/series/in-depth-features/ftc-chair-lina-khans-exit-interview-i-hope-we-dont-see-backsliding/96239EA6-7C22-40E2-A0F0-6CF101DCDAC8?mod=tech\_videos\_pos2; Unofficial Transcript, CNBC, FTC Chair Lina Khan Speaks with CNBC's Andrew Ross Sorkin on "Squawk Box" Today (Jan. 7, 2025), <a href="https://www.cnbc.com/2025/01/07/cnbc-transcript-first-on-enbc-ftc-chair-lina-khan-speaks-with-enbcs-andrew-ross-sorkin-on-squawk-box-today.html">https://www.cnbc.com/2025/01/07/cnbc-transcript-first-on-enbc-ftc-chair-lina-khan-speaks-with-enbcs-andrew-ross-sorkin-on-squawk-box-today.html</a>.

Since January 1, 2025, the Commission has voted on more than *thirty* matters, <sup>6</sup> including seven proposed settlements, <sup>7</sup> five federal court or administrative complaints, <sup>8</sup> three notices or advance notices of proposed rulemaking, <sup>9</sup> one final rule, <sup>10</sup> eight final administrative consent orders, <sup>11</sup> three reports for ongoing 6(b) studies, <sup>12</sup> two enforcement policy or guidance

<sup>&</sup>lt;sup>6</sup> I have cited the Commission's press releases for these matters, where available. In several instances, certain Commission matters will be publicly announced after the release of my statement, and thus, are not referenced here. <sup>7</sup> See, e.g., Press Release, Fed. Trade Comm'n, FTC Takes Action Against GoDaddy for Alleged Lax Data Security for Its Website Hosting Services (Jan. 15, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/01/ftctakes-action-against-godaddy-alleged-lax-data-security-its-website-hosting-services; Press Release, Fed. Trade Comm'n, FTC, New York Attorney General Take Action Against Handy Technologies for Deceiving Workers About Potential Earnings (Jan. 7, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-new-yorkattorney-general-take-action-against-handy-technologies-deceiving-workers-about; Press Release, Fed. Trade Comm'n, Oil Companies to Pay Record FTC Gun-Jumping Fine for Antitrust Law Violation (Jan. 7, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/01/oil-companies-pay-record-ftc-gun-jumping-fineantitrust-law-violation; Press Release, Fed. Trade Comm'n, FTC Orders Building Service Contractors to Stop Enforcing a No-Hire Agreement (Jan. 6, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/01/ftcorders-building-service-contractors-stop-enforcing-no-hire-agreement; Press Release, Fed. Trade Comm'n, FTC Order Requires Online Marketer to Pay \$1 Million for Deceptive Claims that its AI Product Could Make Websites Compliant with Accessibility Guidelines (Jan. 3, 2025), https://www.ftc.gov/news-events/news/pressreleases/2025/01/ftc-order-requires-online-marketer-pay-1-million-deceptive-claims-its-ai-product-could-makewebsites.

<sup>8</sup> See, e.g., Press Release, Fed. Trade Comm'n, FTC, States Sue Deere & Company to Protect Farmers from Unfair Corporate Tactics, High Repair Costs (Jan. 15, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-states-sue-deere-company-protect-farmers-unfair-corporate-tactics-high-repair-costs">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-states-sue-deere-company-protect-farmers-unfair-corporate-tactics-high-repair-costs</a>.

9 See Press Release, Fed. Trade Comm'n, FTC Proposes Rule Changes and New Rule to Deter Deceptive Earnings Claims by Multilevel Marketers and Money-Making Opportunity Sellers (Jan. 13, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-proposes-rule-changes-new-rule-deter-deceptive-earnings-claims-multilevel-marketers-money-making">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-proposes-rule-changes-new-rule-deter-deceptive-earnings-claims-multilevel-marketers-money-making</a>.

<sup>&</sup>lt;sup>10</sup> See Press Release, Fed. Trade Comm'n, FTC Finalizes Changes to Children's Privacy Rule Limiting Companies' Ability to Monetize Kids' Data (Jan. 16, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-changes-childrens-privacy-rule-limiting-companies-ability-monetize-kids-data">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-changes-childrens-privacy-rule-limiting-companies-ability-monetize-kids-data</a>.

<sup>&</sup>lt;sup>11</sup> See, e.g., Press Release, Fed. Trade Comm'n, FTC Finalizes Order Prohibiting Gravy Analytics, Venntel from Selling Sensitive Location Data (Jan. 14, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-order-prohibiting-gravy-analytics-venntel-selling-sensitive-location-data">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-order-prohibiting-gravy-analytics-venntel-selling-sensitive-location-data</a>; Press Release, Fed. Trade Comm'n, FTC Finalizes Order Banning-mobilewalla-selling-sensitive-location-data; Press Release, Fed. Trade Comm'n, FTC Finalizes Order Prohibiting IntelliVision from Making Deceptive Claims About Its Facial Recognition Software (Jan. 13, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-order-prohibiting-intellivision-making-deceptive-claims-about-its-facial-recognition;">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-order-prohibiting-intellivision-making-deceptive-claims-about-its-facial-recognition</a>; Press Release, Fed. Trade Comm'n, FTC Approves Final Order against Sitejabber, Which Misrepresented Ratings and Reviews by Consumers Who Had Not Yet Received Products or Services (Jan. 3, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-approves-final-order-against-sitejabber-which-misrepresented-ratings-reviews-consumers-who-had.">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-approves-final-order-against-sitejabber-which-misrepresented-ratings-reviews-consumers-who-had.

<sup>&</sup>lt;sup>12</sup> See, e.g., Press Release, Fed. Trade Comm'n, FTC Releases Second Interim Staff Report on Prescription Drug Middlemen (Jan. 14, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-releases-second-interim-staff-report-prescription-drug-middlemen">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-releases-second-interim-staff-report-prescription-drug-middlemen</a>.

statements, <sup>13</sup> one potential 6(b) study, <sup>14</sup> and several administrative matters. Every matter that the Commission votes on is important. Certain actions, such as initiating litigation or continuing proposed rulemakings, will have long-lasting consequences for the incoming administration, diverting already scarce Commission resources to defend misguided policy objectives and novel legal theories. It is therefore important for the Commission to give appropriate and due consideration to every matter. But under this month's schedule dictated by Chair Khan, it is hard to imagine how each Commissioner had sufficient time to appropriately consider and evaluate each matter before voting. More important, to the extent underlying investigations were rushed or are incomplete, they may place the agency in precarious positions in litigation and risk futility of the scarce resources that have, and will be, devoted to these matters. <sup>15</sup>

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<sup>&</sup>lt;sup>13</sup> See Press Release, Fed. Trade Comm'n, FTC and DOJ Jointly Issue Antitrust Guidelines on Business Practices that Impact Workers (Jan. 16, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-doj-jointly-issue-antitrust-guidelines-business-practices-impact-workers">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-doj-jointly-issue-antitrust-guidelines-business-practices-impact-workers</a>; Press Release, Fed. Trade Comm'n, FTC Issues Policy Statement Clarifying that Independent Contractors, Gig Workers' Organizing Activities Are Shielded from Antitrust Liability (Jan. 14, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-issues-policy-statement-clarifying-independent-contractors-gig-workers-organizing-activities-are.">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-issues-policy-statement-clarifying-independent-contractors-gig-workers-organizing-activities-are.</a>

<sup>&</sup>lt;sup>14</sup> See Press Release, Fed. Trade Comm'n, FTC Seeks Public Comment on Single-Family Rental Home Mega Investors Study (Jan. 15, 2025), <a href="https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-seeks-public-comment-single-family-rental-home-mega-investors-study">https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-seeks-public-comment-single-family-rental-home-mega-investors-study</a>.

<sup>&</sup>lt;sup>15</sup> See, e.g., Dissenting Statement of Comm'r Andrew N. Ferguson, Joined by Comm'r Melissa Holyoak, *In the Matter of Deere & Co.*, FTC Matter No. 2110191 (Jan. 15, 2025), https://www.ftc.gov/system/files/ftc\_gov/pdf/deere-ferguson-dissent-final.pdf.