



Office of the Chair

UNITED STATES OF AMERICA
Federal Trade Commission
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**Remarks of Chair Khan
As Prepared for Delivery
Creative Economy and Generative AI Roundtable**

October 4, 2023

Good afternoon, everyone. I'm thrilled to welcome you to today's event.

The Federal Trade Commission is hosting this roundtable to hear directly from creators about how generative AI is affecting your work and livelihood.

The FTC was created 109 years ago, against the backdrop of an industrial revolution that had delivered enormous technological progress but had also concentrated power and control in the hands of a few. The advent and expansion of railroads meant that farmers could now move their wares across the country, drastically expanding the number of markets they could reach. But consolidated control over railroads also meant that farmers were often at the mercy of a single company who had the power to arbitrarily hike rates and set discriminatory terms. The antimonopoly movement and antitrust laws that followed were fundamentally about securing terms of fair dealing across markets, to ensure that Americans—be it farmers, small businesses, workers, or consumers—could engage in commerce on fair terms.

Congress created the FTC to enforce these rules of fair competition. A key part of our mandate is ensuring that these core principles continue to apply even as technologies and business practices evolve. Lawmakers explicitly gave the FTC the authority to conduct detailed market inquiries so that we could track and keep pace with new market developments.

Today the use of automated systems, including those sometimes marketed as “artificial intelligence” or “AI,” is becoming increasingly common in our daily lives. These tools are often advertised as providing insights and breakthroughs, increasing efficiencies and cost-savings, and modernizing existing practices. Although many of these tools offer the promise of advancement, they could also result in exploitative practices.

One area of particular focus is generative AI. While the full extent of generative AI's potential is still up for debate, there's little doubt that these technologies could transform how we live, work, and communicate. Given the FTC's mandate, we are also looking closely at how AI can turbocharge fraud, entrench the dominance of the firms that control necessary raw inputs—like cloud services and computing power—and lock in business models that incentivize the endless surveillance of our personal data.¹ As this technology evolves, we're committed to using

¹ See Lina M. Khan, *We Must Regulate A.I. Here's How.*, N.Y. TIMES (May 3, 2023), <https://www.nytimes.com/2023/05/03/opinion/ai-lina-khan-ftc-technology.html>.

all our tools and authorities to maintain open, fair, competitive markets without tolerating unfair or deceptive business practices.

Generative AI poses a unique set of opportunities and challenges to creative industries. Creators may well find that these tools offer various advantages and benefits to them in their craft. But we have also heard significant concern about how these technologies could, virtually overnight, significantly disempower creators and artists, who may watch their life's creation be appropriated into models over which they have no control.

This summer I had the opportunity to attend a picket with members of the Writers Guild of America East. In addition to discussing how consolidation and vertical integration in their industry has suppressed worker power in Hollywood, they told me about their concerns as studios continue to deploy AI at a rapid pace. We talked about the need for a range of protections for creators that can be applied in instances where their work is used to train AI, or when their jobs as writers are minimized or wholly replaced by AI. Many congratulations to members of WGA and SAG-AFTRA who fought in solidarity to reach a deal with studios. It was terrific to see the news of a strong agreement.

We have pulled together this event today so we can better understand how the rapid onset of AI has affected your lives and livelihoods as creators, and to ensure that we're tracking the real-life impacts of these tools. We're lucky to be in conversation with folks that represent such a broad range of creative industries. Many thanks to the artists, musicians, actors, writers, and others who have taken the time to join us today. I'm so looking forward to hearing from everyone.

I'd also like to thank staff from the FTC's Office of Technology, Bureau of Consumer Protection, Bureau of Competition, and Office of Policy Planning, who collectively did great work to facilitate today's roundtable.

Thanks again for your time today. With that, I'll pass it to Maddy Varner from the Office of Technology.
