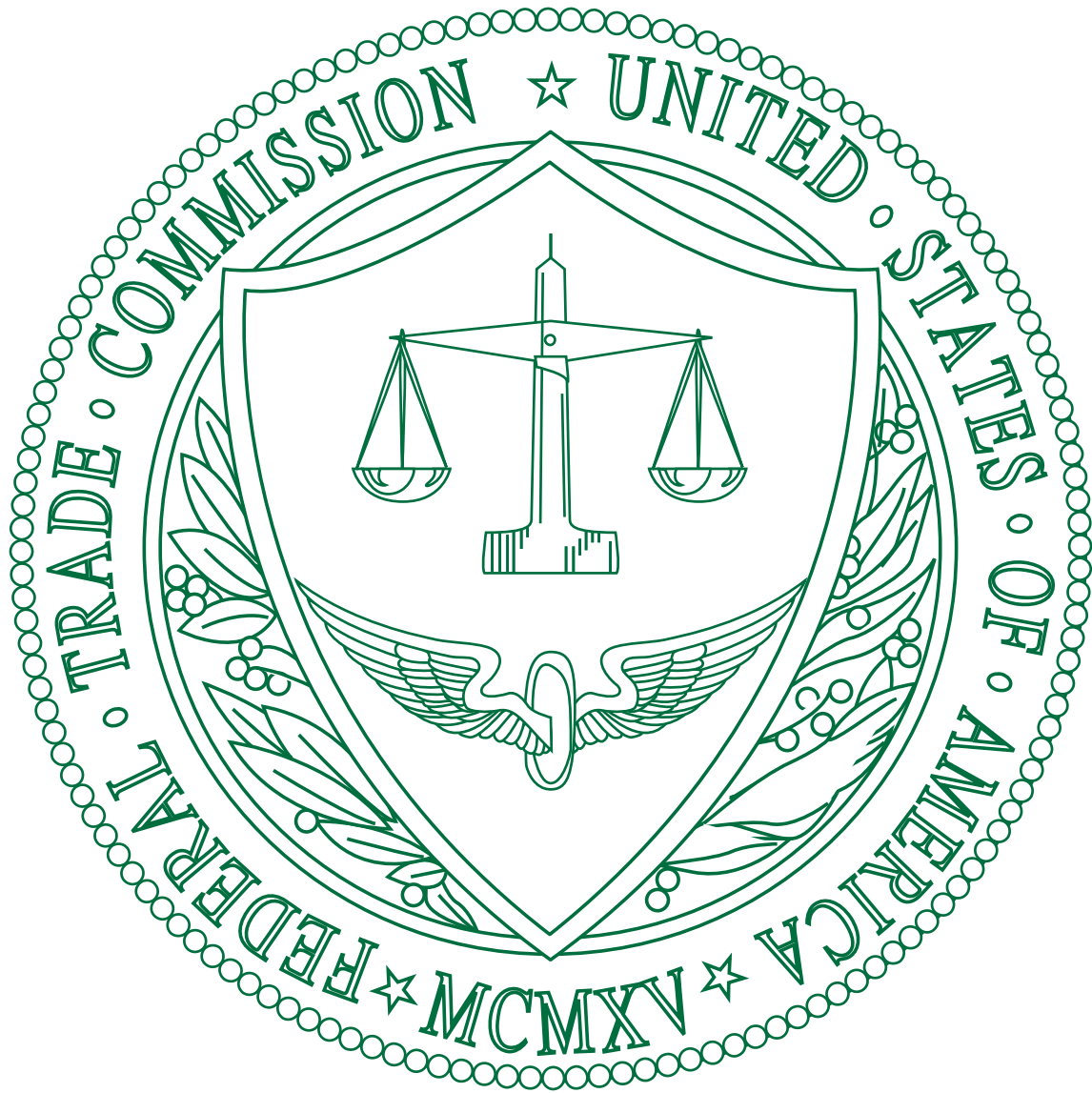


Fiscal Year 2014 Performance Report
and Annual Performance Plan
for Fiscal Years 2015 and 2016



Budgeted Resources by Objective
(\$ in thousands)

| Strategic Goal 1: Protect Consumers | FY 2015 FTE | FY 2015 Amount | FY 2016 FTE | FY 2016 Amount |
|--|----------------|-------------------|----------------|-------------------|
| Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers. | 508 | \$131,275 | 514 | \$138,114 |
| Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers. | 97 | 25,101 | 100 | 26,893 |
| Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection. | 33 | 9,503 | 33 | 10,036 |
| Total | 638 | \$165,879 | 647 | \$175,043 |

| Strategic Goal 2: Maintain Competition | FY 2015 FTE | FY 2015 Amount | FY 2016 FTE | FY 2016 Amount |
|--|----------------|-------------------|----------------|-------------------|
| Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers. | 480 | \$111,983 | 484 | \$117,399 |
| Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers. | 45 | 10,534 | 47 | 11,861 |
| Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition. | 13 | 4,604 | 13 | 4,903 |
| Total | 538 | \$127,121 | 544 | \$134,163 |

Objectives by FTE
(\$ in thousands)

| Protecting Consumers | Fiscal Year 2015 | | | | Fiscal Year 2016 | | | |
|---------------------------------------|------------------|-----------|-----------|------------|------------------|------------|-----------|------------|
| | Objective Number | | | Total FTE | Objective Number | | | Total FTE |
| | 1 | 2 | 3 | | 1 | 2 | 3 | |
| Privacy and Identity Protection | 45 | 11 | 1 | 57 | 46 | 11 | 1 | 58 |
| Financial Practices | 75 | 9 | 8 | 92 | 75 | 9 | 8 | 92 |
| Marketing Practices | 85 | 5 | 6 | 96 | 86 | 5 | 6 | 97 |
| Advertising Practices | 50 | 7 | 1 | 58 | 50 | 7 | 1 | 58 |
| Enforcement | 50 | 3 | 1 | 54 | 50 | 3 | 1 | 54 |
| Planning and Information | 48 | 3 | 0 | 51 | 49 | 3 | 0 | 52 |
| Consumer and Business Education | 0 | 23 | 0 | 23 | 0 | 24 | 0 | 24 |
| Economic and Consumer Policy Analysis | 2 | 4 | 0 | 6 | 2 | 5 | 0 | 7 |
| Management | 22 | 7 | 0 | 29 | 23 | 7 | 0 | 30 |
| Support | 131 | 25 | 16 | 172 | 133 | 26 | 16 | 175 |
| Total | 508 | 97 | 33 | 638 | 514 | 100 | 33 | 647 |

| Promoting Competition | Fiscal Year 2015 | | | | Fiscal Year 2016 | | | |
|--------------------------------------|------------------|-----------|-----------|------------|------------------|-----------|-----------|------------|
| | Objective Number | | | Total FTE | Objective Number | | | Total FTE |
| | 1 | 2 | 3 | | 1 | 2 | 3 | |
| Premerger Notification | 16 | 3 | 0 | 19 | 16 | 3 | 0 | 19 |
| Merger and Joint Venture Enforcement | 184 | 12 | 1 | 197 | 187 | 12 | 1 | 200 |
| Merger and Joint Venture Compliance | 9 | 2 | 0 | 11 | 9 | 2 | 0 | 11 |
| Nonmerger Enforcement | 126 | 8 | 2 | 136 | 127 | 8 | 2 | 137 |
| Nonmerger Compliance | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 |
| Antitrust Policy Analysis | 3 | 4 | 0 | 7 | 3 | 4 | 0 | 7 |
| Other Direct | 16 | 4 | 0 | 20 | 16 | 4 | 0 | 20 |
| Support | 124 | 12 | 10 | 146 | 124 | 14 | 10 | 148 |
| Total | 480 | 45 | 13 | 538 | 484 | 47 | 13 | 544 |

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About This Report and Plan

Beginning in FY 2014, the Federal Trade Commission (FTC) has combined the FY 2014 Annual Performance Report and the FY 2015-2016 Performance Plan into a single document, published as part of the agency's budget submission. The performance plan and report is organized by strategic goals, objectives, and strategies defined in the [Agency Strategic Plan for Fiscal Years 2014 to 2018](#). The FY 2016 budget request is based on the FTC's Strategic Plan for FYs 2014 to 2018 and is supported by the FY 2015-2016 Performance Plan included in this submission. In FY 2013, the FTC updated and revised its Strategic Plan and sought input from Congress, the Office of Management and Budget, and its stakeholders to ensure that its strategic goals, objectives, and performance goals continue to provide relevant information that reflects the FTC's performance.

To see the FTC's performance and budget documents, please view <http://www.ftc.gov/about-ftc/performance> and <http://www.ftc.gov/about-ftc/budgets>.

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access this information at <http://www.whitehouse.gov/omb/budget>. The FTC does not have any lower-priority program activities.

The FTC At-a-Glance

Laws Enforced

In 1914, President Woodrow Wilson signed the Federal Trade Commission Act into law, and the Federal Trade Commission commenced its work on behalf of American consumers in March 1915. The FTC is a law enforcement agency with both consumer protection and competition jurisdiction in broad sectors of the economy. The agency administers a wide variety of laws and regulations. Examples include the Federal Trade Commission Act, Telemarketing Sales Rule, Fair Credit Reporting Act, and Clayton Act. In total, the Commission has enforcement or administrative responsibilities under more than 70 laws (see <http://www.ftc.gov/enforcement/statutes> for a listing).

Profile

- The agency is headquartered in Washington, D.C. and operates with seven regions across the United States.
- The agency had 1,164 full-time equivalent employees at the end of FY 2014.
- Total new budget authority for FY 2014 was \$298 million.

Agency and Mission Information

The work of the FTC is critical to protecting and strengthening free and open markets and promoting informed consumer choice, both in the United States and around the world. The FTC performs its mission through the use of a variety of tools, including law enforcement, rulemaking, research, studies on marketplace trends and legal developments, and consumer and business education.

Mission

Working to protect consumers by preventing anticompetitive, deceptive, and unfair business practices, enhancing informed consumer choice and public understanding of the competitive process, and accomplishing this without unduly burdening legitimate business activity.

Vision

A vibrant economy characterized by vigorous competition and consumer access to accurate information.

Our Purpose and History

Consumers and businesses are likely to be more familiar with the work of the FTC than they think. In the consumer protection area, the product warranties, care labels in clothes, and labels showing the energy costs of home appliances provide information that is set forth in FTC rules. Likewise, businesses must be familiar with the laws requiring truthful advertising and protecting consumers' personally identifiable information. These laws are enforced by the FTC.

Competition among independent businesses is good for consumers, the businesses themselves, and the economy. Competitive markets yield lower prices and better quality goods and services, and a vigorous marketplace provides the incentive and opportunity for the development of new ideas and innovative products and services. Many of the laws governing competition also are enforced by the FTC.

The FTC has a long tradition of maintaining a competitive marketplace for both consumers and businesses. In 1903, Congress created the predecessor to the FTC, the Bureau of Corporations, as an investigatory agency within the Department of Commerce and Labor. The Bureau investigated and published reports on the operation of interstate corporations, looking for monopolistic practices. In one case of note, the Justice Department used the [Bureau's 1906 report on petroleum transportation](#) when it successfully prosecuted and broke up Standard Oil in 1911. In 1914, President Woodrow Wilson signed the Federal Trade Commission Act into law, creating the FTC, which then absorbed the Bureau of Corporations in 1915.

When the FTC was created in 1914, its purpose was to prevent unfair methods of competition in commerce as part of the battle to “bust the trusts.” Over the years, the Congress passed additional laws giving the agency greater authority over anticompetitive practices. Recognizing that unfair and deceptive practices can distort a competitive marketplace as much as unfair methods of competition, in 1938 Congress passed a broad prohibition against “unfair or deceptive acts or practices in or affecting commerce.” Since then, the FTC also has been directed to enforce a wide variety of other consumer protection laws and regulations. The agency maintains a website at www.ftc.gov that provides information for consumers and businesses, as well as online forms to file complaints.

Our Organization

The FTC is an independent agency that reports to the President and to Congress on its actions. These actions include pursuing vigorous and effective law enforcement; advancing consumers’ interests by sharing its expertise with Congress and state legislatures and U.S. and international government agencies; developing policy and research tools through hearings, workshops, and conferences; and creating practical and plain-language educational programs and materials for consumers and businesses in a global marketplace with constantly changing technologies. The FTC is headed by a Commission composed of five commissioners, nominated by the President and confirmed by the Senate, each serving a staggered seven-year term. No more than three commissioners may be from the same political party. The President chooses one commissioner to act as Chair. The post is currently held by Edith Ramirez, a commissioner since 2010, who was confirmed as Chairwoman on March 4, 2013. Commissioners include Julie Brill, Maureen K. Ohlhausen, Joshua D. Wright, and Terrell McSweeney.

The FTC’s mission is carried out by three bureaus: the Bureau of Consumer Protection, the Bureau of Competition, and the Bureau of Economics. Their work is aided by the Offices of the General Counsel, International Affairs, Policy Planning, the Secretary, the Executive Director, Congressional Relations, Public Affairs, Administrative Law Judges, Equal Employment Opportunity, and Inspector General, and seven regional offices. For more information about the agency’s components, visit its [organizational structure webpage](#).

Our People

The FTC's workforce is its greatest asset. The agency's workforce consists of 1,164 civil service employees dedicated to addressing the major concerns of American consumers. The chart below shows the workforce composition by category.

| FTC's Workforce Composition | |
|------------------------------|---------------------|
| Category | Number of Employees |
| Attorneys | 654 |
| Economists | 82 |
| Paralegals | 64 |
| Program/Management Analysis | 142 |
| Investigative/Enforcement | 49 |
| Legal/Administrative Support | 47 |
| Information Technology | 41 |
| Other | 85 |
| Total | 1,164 |

Performance Overview

The section contains details of program performance results, trend data by fiscal year, resources, strategies, factors affecting performance, and the procedures used to verify and validate the performance data. The performance results described in this report enable the FTC to administer and gauge the success of its programs, and make adjustments necessary to improve program quality for the public. The steps the FTC has taken to ensure the performance information it reports is complete, accurate, and consistent are described under Verification and Validation of Performance Data, and in the [Data Quality Appendix](#). Performance targets for fiscal years 2015-2016 for the agency's performance goals and historical results for FYs 2010 to 2014 are presented in the tables following this section. Generally, this section would also contain the results of program evaluations; however, the agency did not undergo any significant program evaluations in FY 2014.

Strategic and Performance Planning Framework

The FY 2014 performance planning framework originates from the [FTC's Strategic Plan for Fiscal Years 2014 to 2018](#) and is supported by the FTC's Performance Plan. The FTC's work is structured around three strategic goals and eight objectives. Performance

goals are used to gauge the FTC’s success for each objective. No performance goals have been added or dropped since the publication of the Strategic Plan. The table below describes each element of the FTC’s performance framework.

| Element | Description |
|-----------------------|--|
| Strategic Goals | Statements of long-term aims outlined in the Strategic Plan, which define how the agency carries out its mission. |
| Objectives | Statements of how the agency plans to achieve the strategic goals. |
| Performance Goals | Indicators used to gauge success in reaching strategic objectives. |
| Key Performance Goals | Measures that best indicate whether agency activities are achieving the desired outcome associated with the related strategic objective. |
| Targets | Expressions of desired performance levels or specific desired results targeted for a given fiscal year. Targets are expressed in quantifiable terms. |

Performance Measurement Reporting Process

Bureau and Office representatives serve as the Performance Measure Reporting Officials (PMROs), who act as data stewards for each of the agency’s publicly-reported performance goals. The PMROs report to the Deputy Performance Improvement Officer (PIO) on a monthly, quarterly, or annual basis via an internal data reporting tool. The Financial Management Office (FMO) also leads periodic performance goal reviews in coordination with budget execution reviews. The CFO / PIO, the Executive Director, the Chief of Staff, and the Chairwoman are briefed on the results and any significant variances in planned versus actual results. The PIO and Deputy PIO then coordinate with the PMROs on any adjustments to strategies and tactics based on the performance results.

Performance Goals and Efficiency Measures Overview

The FTC has established performance goals for assessing program performance against strategic goals and objectives. Of the 29 performance goals, nine are considered “key” performance goals because they best indicate whether agency activities are achieving the desired outcome associated with the related objective. Additionally, four performance goals are considered efficiency performance goals because either they are ratios of outcomes to inputs or they capture administrative timeliness. For each performance goal, the FTC has established a performance target.

Relationship of Outputs to Outcomes

The FTC continuously reviews its performance framework and focuses on tracking and reporting the most appropriate and meaningful outcome performance goals to show effectiveness, efficiency, and results. For example, outcome-based Performance Goal 1.1.3 estimates the millions of dollars in consumer savings that result from law enforcement. Outcome-based Performance Goals 2.1.2 and 2.1.4 estimate the millions of dollars in consumer savings that result from merger and nonmerger actions taken to maintain

competition. The FTC, however, has not developed outcome performance goals in all cases, and uses input and output measures that either support outcomes, lead to outcomes, or otherwise provide valuable indicators of how the FTC is progressing toward achieving its strategic goals and objectives. Under the consumer protection strategic goal, for example, Performance Goal 1.1.1 indicates the percentage of the agency's consumer protection law enforcement actions that targeted the subject of consumer complaints, and Performance Goal 1.1.4 provides the amount of money the FTC returned to consumers and forwarded to the U.S. Treasury. While these performance goals are not outcome-oriented, they bring the FTC closer to determining its impact on the ultimate desired outcome of a marketplace free of unfair practices, fraud, and deception that injure consumers.

Verification and Validation of Performance Data

The performance results described in this report enable the FTC to administer its programs, gauge programmatic success, and make adjustments necessary to improve program quality. The [Data Quality Appendix](#) provides details on the data quality of each performance goal. Additionally, the following steps outline how the agency ensures the performance information it reports is complete, reliable and accurate:

- The FTC has adopted a central internal repository for performance data entry, reporting and review. The electronic data tool reduces human error, increases transparency, and facilitates senior management review of the agency's performance information.
- The agency maintains written procedures used to ensure timely reporting of complete, accurate, and reliable results relative to the key performance goals.
- The agency holds program managers accountable to set meaningful and realistic targets that also challenge the agency to leverage its resources. This includes ensuring ongoing monitoring and updating of performance targets. Further, when appropriate, program managers are required to explain how they will improve performance when targets are not met.
- The agency conducts quarterly performance measurement reviews with management as well as periodic senior management review throughout the fiscal year. This process includes substantiating that actual results reported are indeed correct whenever those results reveal significant discrepancies or variances from the target.

Agency program managers also monitor and maintain automated systems and databases that collect, track, and store performance data, with support provided by the FTC's Office of the Chief Information Officer. In addition to the general controls the FTC has in place, which ensure only authorized staff can access key systems, each application (system) incorporates internal validation edits to ensure the accuracy of

data contained therein. These application edits include checks for reasonableness, consistency, and accuracy. Crosschecks between other internal automated systems also provide assurances of data accuracy and consistency. In addition to internal monitoring of each system, experts outside of the business units (e.g., the Bureaus of Consumer Protection and Competition) routinely monitor the data collection. For example, senior economists from the Bureau of Economics review statistical data used by the Bureau of Competition to calculate performance results.

The FMO is responsible for providing direction and support on data collection methodology and analysis, ensuring that data quality checks are in place, and accurately reporting performance data.

Strategic Human Capital Management

The FTC's strategic human capital management ensures that the agency has the diverse, skilled workforce needed to advance its mission, achieve its strategic goals and objectives, and meet performance measure targets. The agency conducts human capital planning in concert with long-term strategic planning and annual performance planning to keep human capital goals, policies, programs, and initiatives aligned with the strategic and performance plans.

Human capital planning encompasses leadership and knowledge management, a results-oriented performance culture, talent management, and job satisfaction, which are evaluated annually by the [U.S. Office of Personnel Management's Employee Viewpoint Survey](#). More detailed information on human capital performance goals and results are provided in Strategic Objective 3.2.

Annual Performance Goals: Fiscal Years 2014 to 2016

| | FY 2014 Actual | FY 2014 Target | FY 2015 Target | FY 2016 Target |
|--|------------------------|------------------------|--|-------------------|
| Strategic Goal 1: Protect Consumers | | | | |
| Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers. | | | | |
| Performance Goal 1.1.1: Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC. | 89.9% | 80.0% | | |
| Performance Goal 1.1.2: Rate of customer satisfaction with the FTC's Consumer Response Center. | (A) 71.0% (B) 81.0% | (A) 74.0% (B) 74.0% | (A) For the website, meet or exceed average citizen satisfaction rate as published in the ACSI's E-Government Satisfaction Index. (B) For the call center, meet or exceed standards for call centers developed by the Citizen Service Levels Interagency Committee. | |
| Key/Efficiency Performance Goal 1.1.3: Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement. | 769.0% | Baseline Year | 650.0% | |
| Key Performance Goal 1.1.4: Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury. | \$66.9 million | Baseline Year | \$60.0 million | |
| Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers. | | | | |
| Performance Goal 1.2.1: Rate of consumer satisfaction with FTC consumer education websites. | 79.0% | 73.0% | Meet or exceed average citizen satisfaction rate as published in the E-Government Satisfaction Index. | |
| Key Performance Goal 1.2.2: Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns. | 12,205 | 11,250 | 11,500 | 11,500 |
| Performance Goal 1.2.3: Number of workshops and conferences the FTC convened that address consumer protection problems. | 10 | 12 | 12 | 10 |
| Performance Goal 1.2.4: Number of consumer protection reports the FTC released. | 6 | 10 | 10 | 8 |

Annual Performance Goals: Fiscal Years 2014 to 2016

| | FY 2014 Actual | FY 2014 Target | FY 2015 Target | FY 2016 Target |
|--|--------------------|--------------------|-------------------|-------------------|
| Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection. | | | | |
| Performance Goal 1.3.1: Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection. | 424 | Baseline Year | 375 | |
| Key Performance Goal 1.3.2: Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions, or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters. | 45 | 40 | | |
| Performance Goal 1.3.3: Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC. | 60 | 60 | | |
| Performance Goal 1.3.4: Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part. | TBD | 55.0% | | |
| | FY 2014 Actual | FY 2014 Target | FY 2015 Target | FY 2016 Target |
| Strategic Goal 2: Maintain Competition | | | | |
| Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that cause harm to consumers. | | | | |
| Key Performance Goal 2.1.1: Percentage of actions to maintain competition in substantial merger and nonmerger investigations. | 57.1% | 40.0% to 60.0% | | |
| Performance Goal 2.1.2: Consumer savings through merger actions taken to maintain competition. | \$1.0 billion | \$900.0 million | | |
| Key / Efficiency Performance Goal 2.1.3: Total consumer savings compared to the amount of FTC resources allocated to the merger program. | 2,505.2% | 2,600.0% | | |
| Performance Goal 2.1.4: Consumer savings through nonmerger actions taken to maintain competition. | \$419.0 million | \$440.0 million | \$80.0 million | |
| Key / Efficiency Performance Goal 2.1.5: Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program. | 2,028.3% | 1,850.0% | 400.0% | |
| Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers. | | | | |
| Performance Goal 2.2.1: Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues. | 4 | 4 | | |
| Performance Goal 2.2.2: Number of reports and studies the FTC issued on key competition-related topics. | 11 | 8 | | |
| Performance Goal 2.2.3: Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part. | TBD | 55.0% | | |

Annual Performance Goals: Fiscal Years 2014 to 2016

| | FY 2014 Actual | FY 2014 Target | FY 2015 Target | FY 2016 Target |
|---|--------------------|-------------------|---|-------------------|
| Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition. | | | | |
| Key Performance Goal 2.3.1: Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes. | 100.0% | | 95.0% | |
| Performance Goal 2.3.2: Number of instances in which the FTC provides policy advice or technical assistance to foreign competition agencies or government, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visit the FTC. | 161 | | 120 | |
| | FY 2014 Actual | FY 2014 Target | FY 2015 Target | FY 2016 Target |
| Strategic Goal 3: Advance Organizational Performance | | | | |
| Objective 3.1: Optimize resource management and infrastructure. | | | | |
| Performance Goal 3.1.1: A favorable Continuity of Operations (COOP) rating. | 85.0% | | 75.0% | |
| Performance Goal 3.1.2: Availability of information technology systems. | 99.98% | | 99.5% | |
| Performance Goal 3.1.3: Achieving a favorable (unmodified) audit opinion from the agency's independent financial statement auditors. | Unmodified opinion | | Unmodified opinion on the financial statements. | |
| Efficiency Performance Goal 3.1.4: Average number of days for the FTC to release information in response to a simple FOIA request. | 5.4 days | | 6 days | |
| Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce. | | | | |
| Performance Goal 3.2.1: FTC achieves a high ranking in the "Best Places to Work in the Federal Government." | Ranked 4th | | Within the top 10 of mid-size agencies | |
| Key Performance Goal 3.2.2: The extent employees believe the FTC has the talent necessary to achieve organizational goals. | 70.0% | 55.0% | Exceed the government-wide results on the Federal Employee Viewpoint Survey's Talent Management Index. | |
| Performance Goal 3.2.3: The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive. | 68.0% | 56.0% | Exceed the government-wide results on the Federal Employee Viewpoint Survey's Diversity & Inclusion – The New IQ Index. | |

Annual Performance Measures: Historical Results
 For additional performance information, please see the reports available
 at <http://www.ftc.gov/about-ftc/performance>.

| | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual |
|--|----------------|-----------------|----------------|--|
| Strategic Goal 1: Protect Consumers: 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: Complaints collected and entered into the Consumer Sentinel Network database. [†] | 3.1 million | 4.0 million | 5.8 million | 5.7 million |
| Key Measure 1.1.2: The percentage of the FTC's consumer protection law enforcement actions that target the subject of consumer complaints to the FTC. [†] | 95.9% | 80.4% | 90.6% | 90.9% |
| Measure 1.1.3: The rate of customer satisfaction with the FTC's Consumer Response Center.* | (A) 75.0% | (A) 75.0% | (A) 75.0% | (A) 76.0% |
| | (B) 76.0% | (B) 77.0% | (B) 79.0% | (B) 80.0% |
| Objective 1.2: Stop fraud, deception, unfairness, and other unlawful practices through law enforcement. | | | | |
| Key Measure 1.2.1: The percentage of all cases filed by the FTC that were successfully resolved through litigation, a settlement, or issuance of a default judgment. [†] | 99.2% | 100.0% | 100.0% | 98.6% |
| Measure 1.2.2: The FTC's effectiveness in stopping prohibited business practices in three high priority areas over fiscal years 2009 - 2013. | Not applicable | | On track | Statistically significant decrease in one of the three high-priority areas |
| Measure 1.2.3: The percentage of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months. | 96.0% of cases | 100.0% of cases | 95.0% of cases | 94.7% of cases |
| Measure 1.2.4: Investigations or cases in which the FTC obtains foreign-based evidence or engages in mutual assistance that contributes to FTC law enforcement actions or in which we cooperate with foreign agencies and/or multilateral organizations. | 39 | 53 | 56 | 61 |

*Target (A): For the website, exceed average citizen satisfaction rate as published in the ACSI's E-Government Satisfaction Index. For Target (B): For the call center, meet or exceed standards for call centers developed by the Citizen Service Levels Interagency Committee.

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical Results

| | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual |
|--|----------------|----------------|---------------------------------------|---------------------------------------|
| Objective 1.3: Prevent consumer injury through education. | | | | |
| Measure 1.3.1: Consumer protection messages accessed online or in print. | 43.9 million | 41.4 million | 39.4 million | 43.6 million |
| Key Measure 1.3.2: Customer satisfaction rate with an FTC consumer education website or microsite. | 77.0% | 81.0% | 81.0% | 80.0% |
| Measure 1.3.3: Organizations requesting consumer education publications. [†] | 15,372 | 14,818 | 11,298 | 11,236 |
| Objective 1.4: Enhance consumer welfare through research, reports, rulemaking, and advocacy. | | | | |
| Measure 1.4.1: Workshops and conferences convened or cosponsored that address consumer protection problems. [†] | 11 | 14 | 14 | 12 |
| Measure 1.4.2: Advocacy comments and amicus briefs on consumer protection issues filed with entities including federal and state legislatures, agencies, or courts. | 6 | 3 | 8 | 12 |
| Measure 1.4.3: The percentage of respondents finding the FTC's advocacy comments and amicus briefs "useful." [†] | 100.0% | 100.0% | N/A (no responses received) | 100.0% |
| Key Measure 1.4.4: The percentage of proposed Administrative Procedure Act (APA) rulemakings, conducted solely by the FTC, completed within 9 months of receipt of final comments in the Final Notice of Proposed Rulemaking. | 100.0% | 83.3% | N/A (no APA rulemakings conducted) | N/A (no APA rulemakings conducted) |
| Objective 1.5: Protect American consumers in the global marketplace by providing sound policy and technical input to foreign governments and international organizations to promote sound consumer policy. | | | | |
| Key Measure 1.5.1: Policy advice provided to foreign consumer protection and privacy agencies, directly and through international organizations, through substantive consultations, written submissions, or comments. [†] | 64 | 52 | 65 | 61 |
| Measure 1.5.2: Technical assistance to foreign consumer protection and privacy authorities. | 23 | 15 | 18 | 13 |

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical Results

| | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual |
|---|-----------------|-----------------|-----------------|-----------------|
| Strategic Goal 2: Maintain Competition: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace. | | | | |
| Objective 2.1: Take action against anticompetitive mergers and practices that may cause significant consumer injury. | | | | |
| Key Measure 2.1.1: Actions to maintain competition including litigated victories, consent orders, abandoned transaction remedies, restructured transactions remedies, or fix-it-first transactions remedies in a significant percentage of substantial merger and nonmerger investigations. | 40.0% | 34.1% | 43.1% | 42.2% |
| Measure 2.1.2: Consumer savings of at least \$500 million through merger actions to maintain competition. | \$586.0 million | \$532.2 million | \$504.9 million | \$564.2 million |
| Measure 2.1.3: Actions against mergers likely to harm competition in markets with a total of at least \$25 billion in sales. | \$22.5 billion | \$22.7 billion | \$20.2 billion | \$21.0 billion |
| Measure 2.1.4: Consumer savings of at least six times the amount of FTC resources allocated to merger program. [†] | 1,670.0% | 1,419.0% | 1,492.4% | 1,382.2% |
| Measure 2.1.5: Consumer savings of at least \$80 million through nonmerger actions taken to maintain competition. [†] | \$508.0 million | \$444.9 million | \$439.8 million | \$449.8 million |
| Measure 2.1.6: Actions against anticompetitive conduct in markets with a total of at least \$8 billion in annual sales. [†] | \$11.7 billion | \$11.6 billion | \$11.7 billion | \$13.1 billion |
| Measure 2.1.7: Consumer savings of at least four times the amount of FTC resources allocated to nonmerger program over a five-year period. [†] | 2,418.0% | 1,917.7% | 1,831.7% | 2,296.0% |
| Measure 2.1.8: The percentage of cases in which the FTC had at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes. | 100.0% | 100.0% | 100.0% | 100.0% |

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical Results

| | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual |
|---|----------------|----------------|----------------|----------------|
| Objective 2.2: Prevent consumer injury through education. | | | | |
| Key Measure 2.2.1: Competition resources accessed via the FTC's website. [†] | 21.5 million | 22.6 million | 23.2 million | 44.1 million |
| Objective 2.3: Enhance consumer benefit through research, reports, and advocacy. | | | | |
| Key Measure 2.3.1: Workshops, seminars, conferences, and hearings convened or cosponsored that involve significant competition-related issues. | 6 | 4 | 3 | 4 |
| Key Measure 2.3.2: Reports and studies issues on key competition-related topics. | 9 | 11 | 9 | 14 |
| Key Measure 2.3.3: Advocacy comments and amicus briefs on competition issues filed with entities including federal and state legislatures, agencies or courts. [†] | 17 | 16 | 18 | 19 |
| Measure 2.3.4: The percentage of respondents finding the FTC's advocacy comments and amicus briefs "useful." [†] | 100.0% | 100.0% | 83.3% | 100.0% |
| Measure 2.3.5: The volume of traffic on www.ftc.gov relating to competition research, reports, and advocacy. | 2.2 million | 1.8 million | 3.4 million | 3.9 million |
| Objective 2.4: Protect American consumers in the global marketplace by providing sound policy recommendations and technical advice to foreign governments and international organizations to promote sound competition policy. | | | | |
| Key Measure 2.4.1: Policy advice provided to foreign competition agencies, directly and through international organizations, through substantive consultations, written submissions, or comments. [†] | 76 | 112 | 146 | 100 |
| Measure 2.4.2: Technical assistance provided to foreign competition authorities. | 60 | 27 | 27 | 34 |

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical Results

| | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual |
|--|----------------|----------------|----------------|----------------|
| Strategic Goal 3: Advance Performance: Advance the FTC's performance through organizational, individual, and management excellence. | | | | |
| Objective 3.1: Provide effective human resources management. | | | | |
| Measure 3.1.1: The extent employees believe their organizational culture promotes improvements in processes, products and services, and organizational outcomes. | 68.0% | 66.0% | 66.0% | 64.0% |
| Key Measure 3.1.2: The extent employees think the organization has the talent necessary to achieve organizational goals. | 72.0% | 70.0% | 70.0% | 69.0% |
| Objective 3.2: Provide effective infrastructure and security management. | | | | |
| Key Measure 3.2.1: A favorable Continuity of Operations (COOP) rating. | 85.0% | 75.0% | 90.0% | 85.0% |
| Key Measure 3.2.2: Availability of information technology systems. | 99.77% | 99.82% | 99.86% | 100.00% |
| Objective 3.3: Provide effective information resources management. | | | | |
| Key Measure 3.3.1: The percentage of Commission-approved documents in the FTC's ongoing and newly initiated proceedings available via the Internet within 15 days of becoming part of the public record. | 93.8% | 82.0% | 80.2% | 80.6% |
| Objective 3.4: Provide effective financial and acquisition management. | | | | |
| Measure 3.4.1: Independent auditor's financial statement audit results. | Unqualified | Unqualified | Unqualified | Unqualified |
| Key Measure 3.4.2: The percentage of Bureaus/Offices that establish and maintain an effective, risk-based internal control environment. | 100.0% | 100.0% | 100.0% | 100.0% |
| Measure 3.4.3: Performance against the Small Business Administration's government-wide small business procurement goals. | 58.9% | 46.3% | 57.7% | 49.5% |

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Strategic Goal 1: Protect Consumers

The FTC has jurisdiction over a wide range of consumer protection issues. To carry out its broad mission, it must effectively use limited resources by targeting its law enforcement and education efforts to achieve maximum impact and by working closely with federal, state, international, and private sector partners in joint initiatives. In addition, the agency engages in dialogue with a variety of stakeholders to understand emerging issues. The FTC also conducts research on a variety of consumer protection topics.

Evaluation and Research

The FTC regularly evaluates the effectiveness of its efforts to protect consumers. The agency's research and analysis of important and emerging consumer protection issues enhances agency decision making and enables the agency to better protect consumers. This work is done through the Bureau of Consumer Protection and the Bureau of Economics. These efforts include:

- Assessing the extent to which the consumer complaint and other information made available by the agency is used by its staff and law enforcement partners.
- Evaluating whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement effort.
- Evaluating the effectiveness of the FTC's enforcement efforts in those areas in which a baseline measure can be determined.
- Measuring the number of education messages disseminated each year and assessing the number and range of public and private sector organizations that partner with the FTC on outreach.
- Reviewing the focus of the FTC education efforts, determining whether the agency needs to reach new audiences in light of changes in demographics, advertising, and marketing practices, and identifying strategies or partnerships that will allow the FTC to reach those audiences.
- Evaluating whether the advice and comments the FTC provides to local, state, and federal agencies on consumer protection policies have been considered and adopted.

Objective 1.1 Identify and take actions to address deceptive or unfair practices that harm consumers.

Goal Leaders: Director, Bureau of Consumer Protection; Director, Bureau of Economics

To fulfill its goal of protecting consumers, the FTC must identify consumer protection problems and trends in the fast-changing, increasingly global marketplace. The agency strives to understand the issues affecting consumers, including any newly emerging methods of fraud or deceit, so that it can target its enforcement, education, and advocacy on those areas where consumers suffer the most harm or where there will be the greatest impact. The FTC leverages its resources by sharing information with, and encouraging other law enforcement authorities to assist it in its efforts, by acting either independently or jointly.

To help ensure that its enforcement, education and advocacy efforts are well-targeted, the Bureau of Consumer Protection works with the Bureau of Economics in evaluating economic harm to consumers as cases and programs are developed.

The FTC is using new technologies creatively and building on its broad base of private and public sector partners. The agency continues to collect consumer complaint information directly through four principal sources:

1. a toll-free helpline (1-877-FTC-HELP)
2. an identity theft hotline (1-877-ID-THEFT)
3. the [National Do Not Call Registry](https://www.ftc.gov/identity-theft) (1-888-382-1222)
4. the online consumer complaint forms that support items 1-3, as well as online forms dedicated to complaints from members of the U.S. Armed Forces and to cross-border fraud complaints.

In addition, the FTC continues to gather consumer complaint information from other sources, including national surveys, state and federal law enforcement agencies, Better Business Bureaus, and private entities. Further, the FTC maintains an electronic mailbox (spam@uce.gov) to which Internet users are encouraged to forward spam.

The agency makes consumer complaint data and other information available to other law enforcers through the secure website of the Consumer Sentinel Network.

The FTC recognizes that consumers cannot always identify whether unfair or deceptive practices have occurred. For example, consumers cannot evaluate for themselves the

truthfulness of an environmental marketing claim, such as “made with recycled content.” The agency, therefore, identifies targets by augmenting its complaint databases with other enforcement leads, such as ad monitoring, Internet “surfs” (monitoring the Internet for potentially false or deceptive advertising for a targeted product or service), evaluation of mobile practices, and direct referrals from government and private sector partners.

The FTC protects consumers by enforcing Section 5 of the FTC Act, which prohibits unfair or deceptive acts or practices in or affecting commerce, as well as by enforcing a number of statutes and rules proscribing specific unlawful practices. The FTC’s Bureau of Consumer Protection, with the support of the Bureau of Economics, investigates cases and initiates civil enforcement actions, primarily by filing actions in federal court, when there is reason to believe that entities have violated these laws and rules. The FTC’s enforcement actions seek injunctions and other relief. The FTC also brings enforcement actions via administrative proceedings.

Strategies

- Target law enforcement efforts on violations that create the greatest amount of consumer harm by reviewing complaints, monitoring practices in the marketplace, and evaluating industry and other information.
- Stop injury through aggressive law enforcement that focuses on preventing fraud and harmful financial practices, protecting consumer privacy, policing national advertising and new technologies, and suing entities that violate federal court and administrative orders obtained by the FTC.

FY 2014 Progress Update for Strategic Objective

Progress made

The FTC is surveying its staff and conducting internal brainstorming sessions to examine if there are additional ways to analyze and use information from the Consumer Sentinel Network (the Sentinel) database. In addition, the FTC is designing a survey of its law enforcement partners that use information from the Sentinel to identify possible improvements to increase its use by, and value to, these third parties. The agency continues to hold workshops to identify the consumer protection issues associated with changes in technology and the marketplace, and to identify scams affecting different communities. The agency has brought enforcement actions related to the topics of these workshops, such as mobile cramming, the Internet of Things, and scams affecting specific populations, such as senior citizens. The FTC continues to conduct studies to examine its effectiveness in stopping such misleading advertising claims. In two of the three studies already conducted, staff found that there was a statistically significant decrease in the number of misleading claims online after the agency’s enforcement efforts.

Challenges or barriers

It is difficult to develop studies to measure the effectiveness of the agency's enforcement efforts. The studies are limited to reviewing claims that FTC staff can determine are likely to be misleading without further investigation (facially misleading claims), and to online advertising because it is a medium that can be easily surveyed.

Performance Goals

- Performance Goal 1.1.1 Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC. (Output measure)
- Performance Goal 1.1.2 Rate of customer satisfaction with the FTC's Consumer Response Center. (Outcome measure)
- Performance Goal 1.1.3 Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement. (Efficiency measure)
- Performance Goal 1.1.4 Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury. (Outcome measure)

The first performance goal will ensure that FTC law enforcement actions target the subject of concerns identified by consumers. The second performance goal will ensure that the agency's Consumer Response Center is providing satisfactory service when it responds to consumer calls or complaints. The Consumer Response Center is often consumers' first contact with the FTC, and if consumers do not have a satisfactory experience, they may be less likely to file complaints. The third performance goal tracks how much money the FTC saves consumers each year through law enforcement. When the FTC files an administrative complaint or a federal district court action and prevails in litigation, it typically obtains a court order stopping the challenged practices. If defendants fail to comply with such an order, they are subject to contempt or civil penalty proceedings. By obtaining court orders to stop illegal practices that harm consumers, the agency directly prevents further consumer losses. The fourth performance goal will track the FTC's effectiveness in returning money to consumers who were defrauded or forwarding money to the U.S. Treasury (e.g., if redress is impracticable).

Performance Goal 1.1.1

Percentage of the FTC’s consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC. (Output measure)

| | | | |
|------|--------|-------|--|
| 2016 | Target | 80.0% | <p>TARGET MET/EXCEEDED.</p> <p>In FY 2014, 89.9%, or 62 of 69, of BCP’s law enforcement actions targeted the subject of consumer complaints to the FTC.</p> <p>Because BCP augments identification of targets from its databases with other strategies for generating enforcement leads – such as ad monitoring, Internet surfs, mobile app surveys, and direct referrals from government and private sector partners – the results vary from year to year.</p> |
| 2015 | Target | 80.0% | |
| 2014 | Target | 80.0% | |
| | Actual | 89.9% | |
| 2013 | Target | 70.0% | |
| | Actual | 90.9% | |
| 2012 | Target | 70.0% | |
| | Actual | 90.6% | |
| 2011 | Target | 65.0% | |
| | Actual | 80.4% | |
| 2010 | Target | 65.0% | |
| | Actual | 95.9% | |
| 2009 | Target | 65.0% | |
| | Actual | 79.0% | |
| 2008 | Target | 65.0% | |
| | Actual | 71.0% | |
| 2007 | Target | 50.0% | |
| | Actual | 76.0% | |

Performance Goal 1.1.2


Rate of customer satisfaction with the FTC’s Consumer Response Center. (Outcome measure)


| | | | |
|------|--------|-------------------|---|
| 2016 | Target | See (A) and (B) | <p>TARGET NOT MET</p> <p>In FY 2014, the average citizen satisfaction score for participating federal government websites was 74%, and the score for the FTC’s website was 71%. The standards for call centers was 74%, and the FTC’s score was 81%.</p> <p>BCP did not meet the customer satisfaction target for the website due to the recent Complaint Assistant refresh. The Complaint Assistant refresh included changes to the online complaint form to improve user navigation, reduce the amount of time to submit a complaint, and update the look and feel to be consistent with www.ftc.gov. Our close monitoring of consumer survey results from users of the Complaint Assistant was the driving force behind the refresh. We expected our scores to be affected and understand, from our knowledge of this industry, consumers will need some degree of time to adjust. We have implemented close monitoring of consumer comments, and working with our vendor, we have implemented adjustments that we expect will result in improved survey scores in the coming quarters.</p> |
| 2015 | Target | See (A) and (B) | |
| 2014 | Target | (A)74% (B)74% | |
| | Actual | (A)71% (B)81% | |
| 2013 | Target | (A)74% (B)74% | |
| | Actual | (A)76% (B)80% | |
| 2012 | Target | (A)74% (B)74% | |
| | Actual | (A)75% (B)79%* | |
| 2011 | Target | (A)74% (B)74% | |
| | Actual | (A)75% (B)77% | |
| 2010 | Target | (A)74% (B)76% | |
| | Actual | (A)75% (B)76% | |

(A) For the website, meet or exceed average citizen satisfaction rate as published in the ACSI’s E-Government Satisfaction Index.

(B) For the call center, meet or exceed standards for call centers developed by the Citizens Service Levels Interagency Committee.

* The FY 2012 Actual for (B) has been corrected from what was shown in the FY 2013 PAR to reflect what was reported in the FY 2012 PAR.

| | | | |
|---|---|---------------|---|
|  | Key Performance Goal 1.1.3 | | |
| | Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement. (Efficiency measure) | | |
| | 2016 | Target | 650.0% |
| | 2015 | Target | 650.0% |
| 2014 | Target | Baseline Year | <p>BASELINE YEAR.</p> <p>During FY 2014, the agency saved consumers over seven times the amount of resources devoted to the consumer protection program, or \$701.82 million. This is largely attributable to the consumer savings from the Sensa Products, Fortune Hi-Tech Marketing, and TriVita cases.</p> <p>*In December 2014, the Court vacated the default judgment and order of permanent injunction in a case from FY 2014 and reinstated the preliminary injunction order. The FY 2014 Actual for measure 1.1.3 has been revised from what was shown in the FY 2014 Agency Financial Report to reflect the removal of the case from the calculation.</p> |
| | Actual | 769.0%* | |

| | | | |
|---|---|---------------|--|
|  | Key Performance Goal 1.1.4 | | |
| | Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury. (Numbers shown in millions) (Outcome measure) | | |
| | 2016 | Target | \$60.0 |
| | 2015 | Target | \$60.0 |
| 2014 | Target | Baseline Year | <p>BASELINE YEAR.</p> <p>In FY 2014, the FTC returned \$38.58 million to consumers and forwarded \$28.27 million to the U.S. Treasury. The FTC returned money to consumers in the Ab Circle Pro, American Tax Relief, and Central Coast Nutraceuticals cases, among others. The money returned to the U.S. Treasury included civil penalties obtained in settlements with Telecheck Services, Time Warner Cable, and National Attorney Collection Services.</p> |
| | Actual | \$66.9 | |

Other Indicators

- Complaints collected and entered into the Consumer Sentinel Network database. (Input measure)

The indicator ensures that the agency assimilates a large number of consumer complaints, including complaints about Do Not Call violations. The agency will receive these complaints from a variety of sources, including direct consumer complaints to the FTC and complaints received by the FTC's partners. In this manner, the FTC will collect robust information to inform its law enforcement efforts.

- » FY 2014: 5.6 million complaints
- » FY 2013: 5.7 million complaints
- » FY 2012: 5.8 million complaints
- » FY 2011: 4.0 million complaints
- » FY 2010: 3.1 million complaints

- The percent of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months. (Efficiency measure)

The indicator will ensure that the FTC returns redress dollars to injured consumers as quickly as possible. Dollars are considered "designated for distribution" when the FTC is in receipt of all funds, legal issues are resolved, and a usable claimant list is ready.

- » FY 2014: 100.0%
- » FY 2013: 94.7%
- » FY 2012: 95.0%
- » FY 2011: 100.0%
- » FY 2010: 96.0%

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Assess the extent to which the consumer complaint and other information made available by the agency is used by its staff and law enforcement partners.
- Evaluate whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement.

- Evaluate the effectiveness of the FTC's enforcement efforts in those areas in which a baseline measure can be determined.

Objective 1.2 Provide the public with knowledge and tools to prevent harm to consumers.

Goal Leaders: Director, Bureau of Consumer Protection; Director, Bureau of Economics

Consumer and business education serves as the first line of defense against fraud, deception, and unfair practices. Most FTC law enforcement initiatives include a consumer and/or business education component aimed at preventing consumer injury and unlawful business practices, and mitigating financial losses. The agency also conducts consumer and business education campaigns to raise awareness of new or emerging marketplace issues that have the potential to cause harm. The agency creatively uses new technologies and private and public partnerships to reach new and underserved audiences, particularly those who may not seek information directly from the FTC. In addition, the FTC will continue to educate consumers about how to avoid identity theft and provide information to those who have become victims of identity theft. The FTC also will continue to publicize its consumer complaint and identity theft websites and toll-free numbers in an ongoing effort to increase public awareness of its activities and inform the public of ways to contact the FTC to obtain information or file a complaint.

The FTC has a unique mandate to undertake certain forms of research based on Section 6 of the FTC Act. Under this authority, the FTC gathers, analyzes, and makes public certain information that serves the public interest. The FTC also convenes conferences and workshops through which experts and other experienced and knowledgeable parties identify cutting-edge consumer protection issues and discuss ways to address those issues. The FTC recognizes that stakeholders other than government are at times better placed to address certain consumer protection issues. The agency, therefore, encourages self-regulatory efforts and partners with the private sector to disseminate consumer education content developed by the agency.

Strategies

- Focus consumer and business education efforts on areas where fraud, deception, unfair practices, and information gaps cause the greatest injury. Target particular demographic groups with messages about marketplace issues that impact their health, safety, and economic well-being, both online and off. Integrate mobile technologies into education and outreach initiatives through multimedia and interactive content.

- Monitor the marketplace and technological developments to identify emerging consumer protection issues, hold workshops or conferences to examine these issues, and, where appropriate, issue reports analyzing the issues to provide the public with knowledge and tools to prevent consumer harm.

FY 2014 Progress Update for Strategic Objective

Progress made

The FTC continues to examine its reach into different communities, and evaluate how best to reach all consumers as part of the agency's "Every Community" initiative. The basic premise of the "Every Community" initiative is that fraud affects consumers in every community regardless of where they live or what language they speak. To that end, the FTC is working with a research firm to survey different communities on the frauds they see, how they obtain consumer protection information, and how best to educate them about consumer protection issues. Results will inform educational targeting decisions in 2015. Based on staff experience, Sentinel data, and public/partner demand, the FTC increased its distribution of educational materials to Latino communities through the release of two "fotonovela" (graphic novel) publications. Community based organizations ordered these popular booklets by the thousands, in response to targeted mailings and marketing. Based on building attention to senior fraud issues in the media, by other agencies, in Congress, and among the general public, the FTC's Pass It On/Pásalo campaign provides information about avoiding scams to active older adults. Materials in English and Spanish reinforce what older adults already know about scams and encourage them to "pass it on" to their friends and neighbors. These two programs are part of the agency's ongoing efforts to reach underserved consumers.

Challenges or barriers


The FTC encountered challenges meeting the demand for educational materials available in print. We mitigated these issues through judicious funding, publication revisions, and streamlining the catalog of printed materials.

Performance Goals

- Performance Goal 1.2.1 Rate of consumer satisfaction with FTC consumer education websites. (Outcome measure)
- Performance Goal 1.2.2 Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns. (Output measure)
- Performance Goal 1.2.3 Number of workshops and conferences the FTC convened that address consumer protection problems. (Output measure)
- Performance Goal 1.2.4 Number of consumer protection reports the FTC released. (Output measure)

The first performance goal will ensure that the agency’s consumer education websites are effective and helpful for consumers. The second performance goal will ensure the FTC maximizes its reach to consumers and businesses by partnering with other groups and providing free bulk quantities of education materials via an online order system. These other groups often distribute the education materials directly to their constituents. The performance goal therefore helps determine the extent to which the FTC’s education tools reach consumers. The third performance goal ensures that enforcement and education efforts are augmented by encouraging discussions among all interested parties, through careful study of novel or challenging consumer protection problems. The fourth performance goal will ensure the FTC releases a variety of informative reports to the public that help promote the understanding and awareness of consumer protection issues.

| Performance Goal 1.2.1 | | | |
|---|--------|--|--|
| Rate of consumer satisfaction with FTC consumer education websites. (Outcome measure) | | | |
| 2016 | Target | <i>Meet or exceed average citizen satisfaction rate as published in the E-Government Satisfaction Index.</i> | TARGET MET/EXCEEDED In FY 2014, the FTC continued to evaluate www.OnGuardOnline.gov , a joint effort of the federal government and the technology industry, created, maintained, and marketed by the FTC to help computer users guard against Internet fraud, secure their computers, and protect their personal information. The average citizen satisfaction score for participating federal government websites was 73.0%, and the score for www.OnGuardOnline.gov was 79.0%. The continued measurement of the website over time has allowed the FTC to assess the effect of website improvements on customer satisfaction. |
| 2015 | Target | <i>Meet or exceed average citizen satisfaction rate as published in the E-Government Satisfaction Index.</i> | |
| 2014 | Target | 73.0% | |
| | Actual | 79.0% | |
| 2013 | Target | 73.0% | |
| | Actual | 80.0% | |
| 2012 | Target | 74.0% | |
| | Actual | 81.0% | |
| 2011 | Target | 74.0% | |
| | Actual | 81.0% | |
| 2010 | Target | 74.0% | |
| | Actual | 77.0% | |

| | | | |
|---|-----------------------------------|--------|--|
|  | Key Performance Goal 1.2.2 | | Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns. (Output measure) |
| | 2016 | Target | |
| | 2015 | Target | 11,500 |
| 2014 | Target | 11,250 | TARGET MET/EXCEEDED The FTC increased the number of partners using consumer and business education materials by employing targeted outreach programs and leveraging cost-effective outlets, such as social media. In FY 2014, targeted mailings promoted Arabic language immigration materials, new Spanish language “fotonovelas,” Pass It On information for older consumers, and a revised version of Net Cetera: Chatting with Kids About Being Online. Materials are promoted through the agency’s websites, blog posts, webinars, Twitter chats, and Facebook posts. |
| | Actual | 12,205 | |
| 2013 | Target | 12,300 | |
| | Actual | 11,236 | |
| 2012 | Target | 12,000 | |
| | Actual | 11,298 | |
| 2011 | Target | 11,300 | |
| | Actual | 14,818 | |
| 2010 | Target | 11,000 | |
| | Actual | 15,372 | |

Performance Goal 1.2.3

Number of workshops and conferences the FTC convened that address consumer protection problems. (Output measure)

| | | | |
|------|--------|----|---|
| 2016 | Target | 10 | <p>TARGET NOT MET</p> <p>In FY 2014, the FTC convened or cosponsored 10 workshops and conferences that addressed consumer protection problems. These events brought together approximately 7,658 participants.</p> <p>Although BCP did not meet its target, participation at workshops and conferences more than doubled from the 3,417 participants in FY 2013.</p> |
| 2015 | Target | 12 | |
| 2014 | Target | 12 | |
| | Actual | 10 | |
| 2013 | Target | 8 | |
| | Actual | 12 | |
| 2012 | Target | 8 | |
| | Actual | 14 | |
| 2011 | Target | 8 | |
| | Actual | 14 | |
| 2010 | Target | 6 | |
| | Actual | 11 | |
| 2009 | Target | 6 | |
| | Actual | 9 | |
| 2008 | Target | 6 | |
| | Actual | 16 | |
| 2007 | Target | 6 | |
| | Actual | 10 | |

| Performance Goal 1.2.4 | | | |
|---|--------|----|--|
| Number of consumer protection reports the FTC released. (Output measure)* | | | |
| 2016 | Target | 8 | <p>TARGET NOT MET</p> <p>In FY 2014, the FTC published four consumer protection related reports in the areas of mobile cramming, mobile shopping apps, self-regulation in the alcohol industry, and data transparency and accountability. The agency also published two annual reports – the Do-Not-Call Registry and the Consumer Sentinel Network Data Book. Although the agency did not meet the target of publishing 10 consumer protection reports, several reports were drafted during the FY 2014 but have yet to be finalized for publication. These reports are expected to be published in FY 2015.</p> <p>*New performance goal in FY 2014. Historical data shown for context.</p> |
| 2015 | Target | 10 | |
| 2014 | Target | 10 | |
| | Actual | 6 | |
| 2013 | Actual | 12 | |
| 2012 | Actual | 10 | |
| 2011 | Actual | 9 | |

Other Indicators

- Consumer protection messages accessed in print. (Output measure)

The indicator helps ensure that the agency is engaging in a sufficient amount of educational activity.

- » FY 2014: 13.7 million messages
- » FY 2013: 11.8 million messages
- » FY 2012: 10.8 million messages
- » FY 2011: 16.2 million messages
- » FY 2010: 17.5 million messages

- Social media subscribers and followers. (Input measure)

The indicator helps gauge the FTC's online presence, which enables the agency to reach more consumers with its educational messages.

- » FY 2014: 263,568 subscribers/followers
- » FY 2013: 152,548 subscribers/followers
- » FY 2012: 75,424 subscribers/followers

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Measure the number of education messages disseminated each year and assess the number and range of public and private sector organizations that partner with the FTC on outreach.
- Review the focus of FTC education efforts, determine whether the agency needs to reach new audiences in light of changes in demographics, advertising, and marketing practices, and identify strategies or partnerships that will allow the FTC to reach those audiences.

Objective 1.3 Collaborate with domestic and international partners to enhance consumer protection.

Goal Leaders: Director, Bureau of Consumer Protection; Director, Office of International Affairs; Director, Office of Policy Planning; Director, Bureau of Economics

The FTC works with partners in the United States and internationally to address new and emerging consumer protection challenges. The geographic location and other demographics may affect the types of fraud that consumers encounter. It is, therefore, important for governmental and non-governmental organizations to share information and resources to enhance consumer protection.

The FTC promotes consumer protection domestically through advocacy by filing comments with federal, state, and local government bodies advocating policies that 1) promote the interests of consumers and 2) highlight the roles of consumer and empirical research in their decision-making. The agency also files amicus briefs to aid courts' consideration of consumer protection issues.

Because telemarketing and internet fraud, privacy violations, and data security breaches are increasingly cross-border in scope, the FTC routinely cooperates and collaborates with its foreign counterparts to implement broad-based international programs that combine cross-border law enforcement, policy, and technical assistance work. The FTC actively participates in numerous multinational organizations that engage in enforcement cooperation activities against mass-marketing fraud. The FTC provides technical assistance to newer consumer protection agencies and privacy authorities in foreign countries to help enhance their ability to achieve sound consumer protection outcomes in enforcement and policy-making. The agency also provides policy advice through substantive consultations and written comments on areas of mutual concern. This multi-faceted approach promotes a global marketplace that provides consumers with more consistent and effective protections.

Strategies

- Leverage resources by working with domestic and international partners in government and the private sector to share information about consumer protection issues.
- Pursue the development of international consumer protection enforcement models or approaches that focus on protecting consumers by promoting informed consumer choice and economic benefit.
- Provide technical assistance to countries establishing consumer protection regimes, as well as provide selected foreign officials with an opportunity to work alongside FTC attorneys, investigators, and economists to learn about the FTC's approach to consumer protection enforcement and to promote further cooperation between the countries.

FY 2014 Progress Update for Strategic Objective

Progress made

The FTC has continued to engage with international counterparts on consumer policy issues, resulting in the Organization for Economic Cooperation and Development (OECD) policy guidance on both online and mobile payment systems and digital content products, as well as the advancement of negotiations on the revision of the OECD's overall consumer protection guidelines for e-commerce. OECD work has also advanced on self-regulation issues, which relates to the question of enforceable codes of conduct. The FTC has also provided 60 policy inputs to foreign counterparts on a variety of consumer policy issues. On the enforcement front, the FTC has continued to strengthen the existing enforcement networks, expanding the number of authorities participating; the Global Privacy Enforcement Network, for example, has now grown to more than 50 members. In addition, the FTC has continued its engagement in developing and improving interoperable transfer systems for protecting data privacy; in particular, the FTC has engaged on how to improve the existing U.S.-EU Safe Harbor system, and brought a series of enforcement actions in support of that engagement.

Challenges or barriers

International cooperation efforts are long-term efforts that can be affected by events beyond the agency's control. Political turmoil in certain regions, for example, can make cooperation on our particular issues more difficult; developments with Russia, for example, make dialogue on privacy issues more challenging. Political sensitivities as to aspects of privacy not handled by the agency may also affect international aspects of the FTC's commercial sector privacy policy dialogues.

Performance Goals

- Performance Goal 1.3.1 Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection. (Output measure)
- Performance Goal 1.3.2 Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters. (Output measure)
- Performance Goal 1.3.3 Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC. (Output measure)
- Performance Goal 1.3.4 Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part. (Outcome measure)

The first performance goal will ensure the FTC is leveraging resources with domestic partners on consumer protection issues to further the goal of protecting consumers from fraud. The second performance goal will ensure that the agency is leveraging resources with foreign agencies and organizations, to increase the effectiveness of the FTC's enforcement actions. The third performance goal will track policy advice and/or technical assistance the FTC provides to foreign consumer and privacy agencies through seminars, substantive consultations, written submissions, comments, and visits by foreign officials. The fourth performance goal will evaluate the success of consumer protection advocacies filed by the FTC.

| Performance Goal 1.3.1 | | | |
|--|--------|---------------|--|
| Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection. (Output measure)* | | | |
| 2016 | Target | 375 | BASELINE YEAR. In FY 2014, BCP shared information with other U.S. federal, state, and local government agencies in 105 investigations or cases. In FY 2014, BCP received information from other U.S. federal, state, and local government agencies in 322 investigations or cases. |
| 2015 | Target | 375 | |
| 2014 | Target | Baseline Year | |
| | Actual | 424 | |



Key Performance Goal 1.3.2

Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters. (Output measure)

| | | | |
|------|--------|----|--|
| 2016 | Target | 40 | <p>TARGET MET/EXCEEDED</p> <p>In FY 2014, the FTC cooperated in 45 instances on consumer protection and privacy matters to share evidence or provide other assistance for investigations and litigation with authorities in numerous jurisdictions, including Australia, Canada, China, Costa Rica, the Dominican Republic, the European Union (Europol), Ireland, Italy, Mexico, Nigeria, Portugal, Romania, Slovakia, Spain, Thailand, and the United Kingdom. Foreign authorities assisted the FTC in activities such as locating investigative targets and defendants, obtaining corporate records, obtaining witness statements, and providing investigative information. The FTC also provided assistance to numerous foreign authorities. In several instances, the information the FTC provided to the foreign entity involved a parallel proceeding or reciprocal assistance to the FTC. The FTC also engaged in mutual assistance with international enforcement organizations such as the International Consumer Protection Enforcement Network, the Global Privacy Enforcement Network, the London Action Plan anti-spam network, and the International Mass Marketing Fraud working group.</p> |
| 2015 | Target | 40 | |
| 2014 | Target | 40 | |
| | Actual | 45 | |
| 2013 | Target | 30 | |
| | Actual | 61 | |
| 2012 | Target | 30 | |
| | Actual | 56 | |
| 2011 | Target | 30 | |
| | Actual | 53 | |
| 2010 | Target | 30 | |
| | Actual | 39 | |

Performance Goal 1.3.3

Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC. (Output measure)

| | | | |
|------|--------|----|---|
| 2016 | Target | 60 | <p>TARGET MET/EXCEEDED</p> <p>In FY 2014, the FTC provided policy input to foreign consumer protection and privacy agencies in 60 instances. This included policy advice through 40 consultations, presentations, and written comments. New and emerging Internet policy and consumer privacy issues are being considered both by foreign agencies and by a growing range of international organizations. Also in FY 2014, the agency conducted 19 technical assistance missions and hosted an international Fellow from the European Commission in support of the consumer protection mission. There has been a sustained demand for the FTC's policy advice and technical input on consumer policy, enforcement, and related issues.</p> <p>*Previously tracked as two separate performance goals – policy advice provided and technical assistance provided - these two performance goals were combined into a single performance goal starting in FY 2014.</p> |
| 2015 | Target | 60 | |
| 2014 | Target | 60 | |
| | Actual | 60 | |
| 2013 | Target | 68 | |
| | Actual | 74 | |
| 2012 | Target | 68 | |
| | Actual | 73 | |
| 2011 | Target | 48 | |
| | Actual | 67 | |
| 2010 | Target | 48 | |
| | Actual | 87 | |

Performance Goal 1.3.4

Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part. (Outcome measure)*

| | | | |
|------|--------|---------|--|
| 2016 | Target | 55.0% | <p>TARGET MET/EXCEEDED</p> <p>Six consumer protection advocacies that were successful, in whole or in part, in FY 2013 related to consumer financial education, taxicab regulation, the practice of law, unauthorized telephone billing, debt collection, and telemarketing. FY 2014 data is expected in early calendar year 2015.</p> <p>*Historical data shown for context.</p> <p>**The FY 2011 actual only includes advocacies filed in FY 2011, of which zero were resolved that year.</p> |
| 2015 | Target | 55.0% | |
| 2014 | Target | 55.0% | |
| | Actual | TBD | |
| 2013 | Target | 55.0% | |
| | Actual | 86.0% | |
| 2012 | Actual | 100.0% | |
| 2011 | Actual | none** | |
| 2010 | Actual | No data | |

Other Indicators

- Advocacy comments and amicus briefs on consumer protection issues filed with entities including federal and state legislatures, agencies, or courts. (Output measure)

The indicator is a measure of the outputs of the agency's advocacy activities relating to consumer protection matters.

- » FY 2014: 11 advocacy comments and amicus briefs
- » FY 2013: 12 advocacy comments and amicus briefs
- » FY 2012: 8 advocacy comments and amicus briefs
- » FY 2011: 3 advocacy comments and amicus briefs
- » FY 2010: 6 advocacy comments and amicus briefs

- Percentage of survey respondents finding the FTC's advocacy comments to be "useful." (Outcome measure)

The indicator helps assess the effect of consumer protection advocacy comments based on survey respondents' feedback.

- » FY 2014: 100.0%
- » FY 2013: 100.0%
- » FY 2012: N/A - No survey responses received
- » FY 2011: 100.0%
- » FY 2010: 100.0%

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Engage through the Organization for Economic Cooperation and Development (OECD) to update the 1999 OECD Guidelines on Consumer Protection in Electronic Commerce and related work on digital content products and participative (or social) e-commerce in preparation for the OECD's 2016 Internet Ministerial. Engage in related work in other international organizations, such as the review and proposed update of the United Nations Guidelines on Consumer Protection.
- Work with international partners to strengthen cooperation among enforcement partners, bilaterally and through multilateral organizations such as the Internal Consumer Protection Enforcement Network and the London Action Plan, includ-

ing through new and expanded initiatives with foreign criminal authorities and private sector partners (e.g., companies that are working on technological solutions to problems such as caller ID spoofing) particularly in countries that are increasingly the source of fraud directed at American consumers. Use technological tools to expand cooperation and information sharing with counterpart agencies.

- Engage in enforcement cooperation pursuant to the Asia-Pacific Economic Cooperation (APEC) cross-border data privacy rules system and work to expand membership among APEC countries.
- Consult with international authorities on developing new approaches to privacy and cross-border data transfers through the OECD and other international organizations such as the International Conference of Data Protection and Privacy Commissioners and the Global Privacy Enforcement Network. Work bilaterally on enhancements to the U.S.-EU Safe Harbor Framework.
- Continue to explore the use of enforceable codes of conduct, including voluntary industry codes, public-private hybrid arrangements, and international standards to protect consumers in cross-border commerce.
- Continue to build and expand a robust international consumer protection and privacy technical assistance program for newer consumer protection and privacy agencies.
- Further develop the International Fellows and staff exchange programs.
- File comments or otherwise engage in advocacy with state, federal, and foreign governments that evaluate both the costs and benefits of proposed policies on consumers and an awareness of the intersection of competition and consumer protection concerns.
- Evaluate whether the advice and comments (e.g., advocacy filings and amicus briefs) that the FTC provides to local, state, and federal government entities on consumer protection policies have been considered and adopted.

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Strategic Goal 2: Maintain Competition

The FTC's efforts to maintain competition focus on preventing anticompetitive mergers and other anticompetitive business practices in the marketplace. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy. Vigorous competition results in lower prices, higher quality goods and services, and innovation leading to beneficial new products and services. By enforcing the antitrust laws, the FTC helps to ensure that markets function well.

As a part of its program to maintain competition, the FTC undertakes competition policy research and development activities to improve agency decision making in areas such as law enforcement and competition advocacy. The FTC also promotes competition through advocacy and education initiatives. These initiatives deter anticompetitive mergers and business practices and reduce business' costs of compliance with antitrust laws. Advocacy encourages governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and ensure such policies promote consumer benefit.

Evaluations and Research

The FTC continuously evaluates the effectiveness of its efforts to maintain and promote competition. The FTC uses research projects, workshops, and hearings to improve its understanding of significant antitrust issues, emerging trends in business practices, and dynamic technology markets in order to adapt its law enforcement efforts to the continually evolving and complex marketplace. After each major litigation effort, the FTC internally evaluates its litigation performance to identify best practices and training opportunities for future litigation teams. The FTC assesses its investigative process to improve efficiency and reduce any unnecessary burden imposed by investigations. The FTC's Bureau of Economics conducts merger retrospective analyses of mergers and studies other competition issues to determine whether the actions taken resulted in over or under regulation. The agency also evaluates the policy impact of the FTC's advocacy initiatives.

Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers.

Goal Leaders: Director, Bureau of Competition; Director, Bureau of Economics

The FTC takes action to block or remedy anticompetitive mergers and to stop anticompetitive conduct. Anticompetitive mergers and other coordinated or unilateral conduct can lessen competition and cause harm to consumers through higher prices, inferior service, or diminished innovation. Anticompetitive practices can also harm competition and consumers if they make it more difficult for other companies to enter the market. Enforcement of the antitrust laws provides substantial benefits to consumers by helping to ensure that markets are competitive.

The FTC's Bureau of Competition, together with the Bureau of Economics, investigates proposed and consummated mergers, as well as conduct and agreements that may be anticompetitive, and takes enforcement action when it has reason to believe that mergers or conduct will likely harm consumers. The FTC's enforcement actions result in litigation, consent orders, abandoned or restructured transactions or agreements, or the cessation of anticompetitive conduct. The FTC strives to maintain strong litigation capabilities and works to ensure that the remedies imposed by its consent orders are effective in maintaining competition in the marketplace without undue burden on businesses.

The Hart-Scott-Rodino (HSR) Premerger Notification Act provides the FTC an effective starting point for identifying anticompetitive mergers and taking action to block or remedy them before they are consummated. The FTC administers the HSR program both for itself and for the Antitrust Division of the Department of Justice, which shares authority to challenge anticompetitive mergers. The FTC also uses trade press articles, consumer and competitor complaints, and other means to identify potentially anticompetitive mergers that do not meet HSR notification requirements, or that were not reported in violation of HSR.

In addition, the FTC employs a variety of methods to identify potentially anticompetitive practices and conduct outside the merger context (for example, consumer and competitor complaints, referrals from other government agencies, and trade press).

Strategies

- Increase the efficiency of investigatory processes to conduct rigorous, economically sound, and fact-based analysis of mergers and other potentially anticompetitive business practices, and enhance enforcement outcomes while minimizing burdens on business.

- Improve the timeliness of investigations and merger review under the HSR program. Ensure that administrative litigations and adjudications reach timely resolutions.
- Improve negotiation and litigation skills and refine investigative and decisional tools through continuous learning.
- Negotiate merger and nonmerger consent orders and win litigated orders that have significant remedial, precedential, and deterrent effects. Increase compliance with consent decrees and orders and with HSR reporting obligations.
- Increase the transparency of the decision-making process, including assessing whether revisions to enforcement guidelines are required.

FY 2014 Progress Update for Strategic Objective

Progress made

The FTC devoted significant resources to legal professional development in FY 2014. The agency focused on cost-neutral approaches to use staff expertise and experience to provide valuable training opportunities to its staff. The Bureau of Competition's Training Council offered programs addressing important topics in antitrust enforcement, and facilitating intra-organizational collaboration. The Bureau also continued a revamped mentoring program, and made targeted investments in executive leadership development and communications.

The agency continued to devote resources to identifying opportunities to streamline its investigatory processes and minimize the burden imposed on legitimate business practices. The agency is approaching the launch of a new litigation support platform, and continued to develop systems to enhance management decision making.

Challenges or barriers


Resource constraints remain the most significant challenge to the agency. Development and support of the technological tools necessary to improve processes and streamline operations require significant financial and staff resources. The agency continues to lose valuable human resources to retirement or private practice. The agency must continue to engage in knowledge management to use the intellectual and experiential assets at its disposal.

Performance Goals

- Performance Goal 2.1.1 Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations. (Outcome measure)
- Performance Goal 2.1.2 Consumer savings through merger actions taken to maintain competition. (Outcome measure)

- Performance Goal 2.1.3 Total consumer savings compared to the amount of FTC resources allocated to the merger program. (Efficiency measure)
- Performance Goal 2.1.4 Consumer savings through nonmerger actions taken to maintain competition. (Outcome measure)
- Performance Goal 2.1.5 Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program. (Efficiency measure)


Performance Goal 2.1.1 encourages the agency to use its resources wisely in bringing appropriate investigations and in crafting and pursuing effective resolutions, whether through litigation or settlement. Success on this performance measure indicates that the FTC is (i) effectively screening HSR reported transactions and identifying other mergers and conduct practices that raise significant antitrust concerns warranting further investigation and possible enforcement action while (ii) allowing procompetitive and competitive neutral mergers and conduct to consumers to proceed unimpeded. The remaining four measures ensure that the agency challenges the mergers and conduct that cause the greatest consumer injury by targeting the agency's resources effectively and efficiently. Performance Goals 2.1.2 and 2.1.4 assess the consumer benefits attributable to the FTC's enforcement actions, while Performance Goals 2.1.3 and 2.1.5 serve as indicators of the competition mission's return on investment for consumers.

| | | | |
|---|--------|---------------|---|
|  | | | Key Performance Goal 2.1.1 Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations. (Outcome measure) |
| 2016 | Target | 40.0 to 60.0% | TARGET MET/EXCEEDED The agency achieved successful outcomes in 24 of the 42 substantial merger and nonmerger investigations concluded in FY 2014. These 24 actions include 19 consent orders, 3 merger transactions that were withdrawn or restructured as a consequence of the antitrust concerns raised during the investigation, 1 case in which the agency issued a consent order after filing a complaint in federal court, and 1 case in which the parties abandoned their transaction in response to the agency's complaint. The agency brought 18 merger actions in second request or compulsory process investigations in a wide variety of industries such as pharmaceuticals and medical devices (Thermo Fisher/Life Technologies, Endo Health Solutions/Boca Life Science, Akorn/Hi-Tech Pharmacal, Forest Laboratories/Actavis, Valeant Pharmaceuticals International/Precision Dermatology), supermarkets (Albertson's/United Supermarkets, Bi-Lo Holdings/Delhaize Group), hospitals (Community Health Systems/Health Management Associates), databases (CoreLogic/TPG), consumer goods (Jostens/American Achievement Group), and glass beer and spirits containers (Ardagh/Compagnie De Saint-Gobain). On the nonmerger side, the FTC brought six actions against anti-competitive tactics that the agency had reason to believe harmed consumers or competition. In FY 2014, the FTC issued four settlement orders prohibiting restraints in professional codes of ethics (the Music Teachers National Association, the California Association of Legal Support Professionals, the National Association of Teachers of Singing, and the National Association of Residential Property Managers). The FTC settled charges against two Internet barcode resellers who invited competitors to join in a collusive scheme to raise the prices for barcodes sold over the Internet. In another conduct case, the FTC settled charges against two ski manufacturers who agreed not to compete with each other to secure endorsements by professional skiers or hire employees. Of the 18 substantial investigations that were closed without an action, 12 involved nonmerger matters and 6 were merger matters. |
| 2015 | Target | 40.0 to 60.0% | |
| 2014 | Target | 40.0 to 60.0% | |
| | Actual | 57.1% | |
| 2013 | Target | 40.0 to 60.0% | |
| | Actual | 42.2% | |
| 2012 | Target | 40.0 to 60.0% | |
| | Actual | 43.1% | |
| 2011 | Target | 40.0 to 60.0% | |
| | Actual | 34.1% | |
| 2010 | Target | 40.0 to 60.0% | |
| | Actual | 40.0% | |

Performance Goal 2.1.2

Consumer savings through merger actions taken to maintain competition. (Numbers shown in millions) (Outcome measure)


| | | | |
|------|--------|---------------|--|
| 2016 | Target | \$900.0 | TARGET MET/EXCEEDED In FY 2014, the FTC saved consumers an estimated \$1 billion through its merger actions to maintain competition. |
| 2015 | Target | \$900.0 | |
| 2014 | Target | \$900.0 | |
| | Actual | \$1.0 billion | |
| 2013 | Target | \$500.0 | |
| | Actual | \$564.2 | |
| 2012 | Target | \$500.0 | |
| | Actual | \$504.9 | |
| 2011 | Target | \$500.0 | |
| | Actual | \$532.2 | |
| 2010 | Target | \$500.0 | |
| | Actual | \$586.0 | |
| 2009 | Target | \$500.0 | |
| | Actual | \$791.0 | |
| 2008 | Target | \$500.0 | |
| | Actual | \$360.0 | |
| 2007 | Target | \$500.0 | |
| | Actual | \$805.0 | |

| | | | |
|---|---|----------|----------|
|  | Key Performance Goal 2.1.3 Total consumer savings compared to the amount of FTC resources allocated to the merger program. (Efficiency measure) | | |
| | 2016 | Target | 2,600.0% |
| 2015 | Target | 2,600.0% | |
| 2014 | Target | 2,600.0% | |
| | Actual | 2,505.2% | |
| 2013 | Target | 1,300.0% | |
| | Actual | 1,382.2% | |
| 2012 | Target | 1,300.0% | |
| | Actual | 1,492.4% | |
| 2011 | Target | 600.0% | |
| | Actual | 1,419.0% | |
| 2010 | Target | 600.0% | |
| | Actual | 1,670.0% | |
| 2009 | Target | 600.0% | |
| | Actual | 2,132.0% | |
| 2008 | Target | 600.0% | |
| | Actual | 1,121.0% | |
| 2007 | Target | 600.0% | |
| | Actual | 2,500.0% | |

Performance Goal 2.1.4

Consumer savings through nonmerger actions taken to maintain competition.
(Numbers shown in millions) (Outcome measure)

| | | | |
|------|--------|---------|---|
| 2016 | Target | \$80.0 | <p>TARGET NOT MET</p> <p>In FY 2014, the FTC obtained estimated savings to consumers of approximately \$419.0 million through non-merger actions taken to maintain competition.</p> <p>In FY 2011 and FY 2010, the agency exceeded the target on this measure by more than 455%, and 533% respectively, primarily due to the large volume of commerce in one case involving Intel Corporation, the world’s leading computer chip maker. Intel was charged with illegally using its dominant market position for a decade to stifle competition and strengthen its monopoly. The agency modified the targets for FY 2012 through FY 2014 to preserve the integrity of the measure. Targets for future years have been adjusted based on prior year results and expected future performance. The impact will no longer be felt after FY 2014.</p> <p>Additionally, nonmerger/conduct cases historically take longer than merger cases to investigate and bring to a final conclusion. The agency is currently in the midst of litigation in six nonmerger cases still pending at the close of FY 2014.</p> |
| 2015 | Target | \$80.0 | |
| 2014 | Target | \$440.0 | |
| | Actual | \$419.0 | |
| 2013 | Target | \$450.0 | |
| | Actual | \$449.8 | |
| 2012 | Target | \$450.0 | |
| | Actual | \$439.8 | |
| 2011 | Target | \$80.0 | |
| | Actual | \$444.9 | |
| 2010 | Target | \$80.0 | |
| | Actual | \$508.0 | |
| 2009 | Target | \$80.0 | |
| | Actual | \$188.0 | |
| 2008 | Target | \$80.0 | |
| | Actual | \$28.0 | |
| 2007 | Target | \$80.0 | |
| | Actual | \$75.0 | |

| | | | |
|---|-----------------------------------|----------|---|
|  | Key Performance Goal 2.1.5 | | Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program. (Efficiency measure) |
| | 2016 | Target | |
| | 2015 | Target | 400.0% |
| 2014 | Target | 1,850.0% | <p>TARGET MET/EXCEEDED</p> <p>In FY 2014, the FTC saved consumers more than 20 times the amount of resources it devoted to the nonmerger enforcement program. As mentioned under Performance Goal 2.1.4, the agency exceeded the target in FY 2011 and FY 2010 primarily due to one case, which involved Intel Corporation. The targets for FY 2012 through FY 2014 were adjusted upward as a result.</p> <p>Additionally, as mentioned in Performance Goal 2.1.4, nonmerger/conduct cases historically take longer than merger cases to investigate and bring to a final enforcement action. For example, the agency is currently in the midst of litigation in six nonmerger cases which did not conclude in FY 2014.</p> <p>Targets for future years have been adjusted based on prior year results and expected future performance. The effect attributable to the Intel case in FY 2010 will expire in FY 2015.</p> |
| | Actual | 2,028.3% | |
| 2013 | Target | 2,000.0% | |
| | Actual | 2,296.0% | |
| 2012 | Target | 2,000.0% | |
| | Actual | 1,831.7% | |
| 2011 | Target | 400.0% | |
| | Actual | 1,917.7% | |
| 2010 | Target | 400.0% | |
| | Actual | 2,418.0% | |
| 2009 | Target | 400.0% | |
| | Actual | 1,035.0% | |
| 2008 | Target | 400.0% | |
| | Actual | 164.0% | |
| 2007 | Target | 400.0% | |
| | Actual | 424.0% | |

Other Indicators

- Average total sales for the current year plus previous four fiscal years in the affected markets in which the Commission took merger enforcement action. (Outcome measure)
 - » FY 2014: \$18.6 billion
 - » FY 2013: \$21.0 billion
 - » FY 2012: \$20.2 billion
 - » FY 2011: \$22.7 billion
 - » FY 2010: \$22.5 billion

- Average total sales for the current year plus previous four fiscal years in the affected markets in which the Commission took anticompetitive conduct enforcement action. (Outcome measure)
 - » FY 2014: \$10.9 billion
 - » FY 2013: \$13.1 billion
 - » FY 2012: \$11.7 billion
 - » FY 2011: \$11.6 billion
 - » FY 2010: \$11.7 billion

These two indicators highlight the effective and efficient use of FTC resources by measuring the size of the relevant product markets in which the agency took enforcement action. At the same time, the FTC acknowledges the important educational and deterrent roles that competition enforcement actions in smaller markets play in maintaining and promoting competition in larger markets.

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Continue to expand employee development programs to increase the antitrust expertise and investigative, negotiation, and litigation skills of its legal staff through continuous learning and identification of “best practices.” Utilize the Bureau of Competition’s newly created Training Council to assess legal staff development opportunities and to create and implement a comprehensive training curriculum to address staff needs.

- Continue to focus on improving the investigative process, including use of improved technological tools to better manage and coordinate investigations.

- As in prior years, continue ongoing assessment of premerger notification filing requirements to maximize efficiency and reduce the burden on filing persons and the antitrust agencies.

Objective 2.2 Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.

Goal Leaders: Director, Bureau of Competition; Director, Office of Policy Planning

The FTC has a unique mandate to undertake certain forms of research based on Section 6 of the FTC Act and the historical report-writing activity of its predecessor entity, the Bureau of Corporations. Under this authority, the FTC gathers, analyzes, and makes public certain information concerning the nature of competition as it affects U.S. commerce. The FTC uses this authority to enhance consumer welfare by holding public hearings, convening conferences and workshops, conducting economic studies on competition issues of significant public importance, and issuing reports of its findings. The agency uses the information internally to refine the theoretical economic framework for analyzing competition issues and understanding industry practices, and to help the FTC respond effectively to changing marketplace conditions. This information also contributes to a better understanding of business practices and their competitive and economic implications, providing guidance to the business sector, the legal community, other enforcement authorities, the judiciary, and governmental decision makers and policymakers at the federal, state, and local levels.

The FTC also promotes competition through advocacy, information, and education. In its advocacy work, the FTC files comments with federal, state, and local government bodies advocating policies that promote the interests of consumers and highlights the role of consumer and empirical research in their decision making. The FTC also files amicus (“friend of the court”) briefs to aid courts’ consideration of competition issues. Educating consumers and businesses about competition law and policy also promotes competition. Informing businesses and their legal advisers about potential antitrust violations deters anticompetitive mergers and anticompetitive business practices and reduces businesses’ cost of compliance. Educating consumers about their rights and their ability to bring violations to the FTC’s attention reduces the cost of identifying anticompetitive conduct. Providing consumers and businesses with information about how antitrust enforcement benefits the common good can also encourage cooperation with FTC investigations and strengthen enforcement actions.

Strategies

- Improve the agency’s understanding of various practices and developments in the marketplace by conducting public hearings, conferences, and workshops that bring together interested parties and conducting economic research on these is-

sues. Utilize the information gathered to inform the agency's enforcement agenda. Improve the dissemination of material gathered through hearings, conferences, and workshops.

- Target advocacy activities to encourage state and federal government policymakers to evaluate the competitive implications of their existing and proposed policies, emphasizing the impact on consumers of policies that unnecessarily restrict competition.
- Increase transparency of the agency's decision-making by ensuring that the content of complaints, press releases, and analyses to aid public comment explain in sufficient detail and with sufficient clarity the evidence and theory of a case, within the constraints of confidentiality requirements. Expand the use of other public statements to improve the public's understanding of the FTC's enforcement policies.

FY 2014 Progress Update for Strategic Objective

Progress made

The FTC continued to organize public conferences to advance the agency's understanding of economic developments and emerging business practices and inform antitrust policy through consideration of diverse perspectives. In FY 2014, the agency hosted four public workshops in broad areas of antitrust policy including health care competition and policy, the implications of conditional pricing practices, the impact of legislative and regulatory naming proposals on competition in biologics, and its Sixth Annual Microeconomics Conference. The workshops received substantial participation from business and consumer groups, research institutions, and other practitioners who submitted working papers, contributed to panel discussions, and submitted public comments on the important topics discussed. The agency effectively used technological resources at its disposal to announce and request participation in these events and to continue the dialogue by sharing public comments and making public transcripts and videos from the sessions.

The FTC continued to respond to requests for comment from local, state, and federal entities to provide policymakers with a framework to analyze the potential competitive implications of pending governmental actions that may have a major impact on consumers. In FY 2014, the agency issued advocacy comments to utility authorities in three states on the use of dynamic pricing models for residential energy services. Staff also provided comments to the ERISA Advisory Council regarding Pharmacy Benefit Managers, the Centers for Medicare and Medicaid Services concerning changes in contracting for Medicare Part D, the Commission on Dental Accreditation on education programs for dental therapists, and to two state legislatures addressing scope of practice for non-physician health care professionals. It also submitted comments to three states on the regulation of automobile distribution and sale and to the City of Chicago on transportation regulation.

The agency also continued to progress in its efforts to advance the public's understanding of its decisions through the publication of analyses to aid public comment, speaking engagements, and the creation of the "Competition Matters" blog which covers an array of competition policy and practice issues.

Challenges or barriers

The FTC will continue to identify opportunities to advance the public's and its own understanding of competition issues in a dynamic and increasingly complex marketplace, particularly in the areas of health care, technology, and intellectual property. The agency must continue to use its limited resources to expand its advocacy and outreach efforts despite increased demands from its resource-intensive enforcement efforts. The agency must also expand its use of technology and public interaction to better promote the consumer understanding of the benefits of competition.

Performance Goals

- Performance Goal 2.2.1 Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues. (Output measure)
- Performance Goal 2.2.2 Number of reports and studies the FTC issued on key competition-related topics. (Output measure)
- Performance Goal 2.2.3 Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part. (Outcome measure)

Performance Goal 2.2.1 encourages the FTC to use non-investigative tools such as workshops, seminars, conferences, and hearings on significant competition-related issues to benefit consumers. The second performance goal will track research, reports, and studies that enhance consumer and business knowledge of competition issues. The third performance goal will evaluate the success of competition advocacies filed by the FTC.

Performance Goal 2.2.1

Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues. (Output measure)

| | | | |
|------|--------|---|---|
| 2016 | Target | 4 | TARGET MET/EXCEEDED |
| 2015 | Target | 4 | |
| 2014 | Target | 4 | <p>In FY 2014, the FTC held four competition and economics-related conferences. In February 2014, the agency hosted a day-long workshop on competition issues related to the regulation of follow-on biologics. That was followed by a two-day workshop on Examining Health Care Competition held in March 2014. Workshop participants discussed professional regulation of health care providers; innovations in health care delivery; advancements in health care technology; measuring and assessing health care quality; and price transparency of health care services.</p> <p>Another event was a joint conference with the Department of Justice’s Antitrust Division held in June 2014 examining the impact of conditional pricing arrangements – practices in which prices are explicitly or effectively contingent on commitments to purchase or sell a specified share or volume of a single product or a mix of multiple products – such as loyalty or bundled pricing.</p> <p>The FTC’s Microeconomics Conference, held annually in November, brings together scholars and leaders from universities throughout the world, other government agencies, and other organizations to discuss antitrust, consumer protection, and policy issues which FTC economists encounter in their work. The Conference included discussions of antitrust in the Internet age and the economics of prize-linked savings.</p> |
| | Actual | 4 | |
| 2013 | Target | 4 | |
| | Actual | 4 | |
| 2012 | Target | 4 | |
| | Actual | 3 | |
| 2011 | Target | 4 | |
| | Actual | 4 | |
| 2010 | Target | 4 | |
| | Actual | 6 | |
| 2009 | Target | 4 | |
| | Actual | 8 | |
| 2008 | Target | 4 | |
| | Actual | 5 | |
| 2007 | Target | 4 | |
| | Actual | 7 | |

Performance Goal 2.2.2

Number of reports and studies the FTC issued on key competition-related topics.
(Output measure)

| | | | |
|------|--------|----|--|
| 2016 | Target | 8 | <p>TARGET MET/EXCEEDED</p> <p>In FY 2014, the FTC published working papers on how mergers affect competition in patient care quality, regulation of advanced practice nurses, and the U.S. oil refining industry. The agency also published an annual report on concentration in the ethanol industry and the Hart-Scott-Rodino Annual Report on the premerger notification program and merger enforcement.</p> |
| 2015 | Target | 8 | |
| 2014 | Target | 8 | |
| | Actual | 11 | |
| 2013 | Target | 8 | |
| | Actual | 14 | |
| 2012 | Target | 8 | |
| | Actual | 9 | |
| 2011 | Target | 8 | |
| | Actual | 11 | |
| 2010 | Target | 8 | |
| | Actual | 9 | |
| 2009 | Target | 8 | |
| | Actual | 20 | |
| 2008 | Target | 8 | |
| | Actual | 7 | |
| 2007 | Target | 8 | |
| | Actual | 18 | |

Performance Goal 2.2.3

Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part. (Outcome measure)*

| | | | |
|------|--------|---------|---|
| 2016 | Target | 55.0% | <p>TARGET MET/EXCEEDED</p> <p>Six competition advocacies that were successful, in whole or in part, in FY 2013 related to physician collective bargaining, taxicab regulation, the practice of law, electricity regulation, the state action doctrine, and international antitrust law. FY 2014 data is expected in early calendar year 2015.</p> <p>*Historical data shown for context.</p> |
| 2015 | Target | 55.0% | |
| 2014 | Target | 55.0% | |
| | Actual | TBD | |
| 2013 | Target | 55.0% | |
| | Actual | 75.0% | |
| 2012 | Actual | 58.8% | |
| 2011 | Actual | 87.5% | |
| 2010 | Actual | No data | |

Other Indicators

- Advocacy comments and amicus briefs on competition issues filed with entities including federal and state legislatures, agencies, or courts. (Output measure)

The indicator is a measure of the outputs of the agency’s advocacy activities relating to competition matters.

- » FY 2014: 16 advocacy comments and amicus briefs
- » FY 2013: 19 advocacy comments and amicus briefs
- » FY 2012: 18 advocacy comments and amicus briefs
- » FY 2011: 16 advocacy comments and amicus briefs
- » FY 2010: 17 advocacy comments and amicus briefs

- Percentage of survey respondents finding the FTC’s advocacy comments to be “useful.” (Outcome measure)

The indicator helps assess the effect of competition advocacy comments based on survey respondents’ feedback.

- » FY 2014: 100.0%
- » FY 2013: 100.0%
- » FY 2012: 83.3%
- » FY 2011: 100.0%
- » FY 2010: 100.0%

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Organize and/or participate in public conferences, workshops, and hearings to enhance the FTC’s understanding of various practices and developments relevant to competition in the marketplace.
- Encourage business and consumer participation in these conferences, workshops, and hearings, and continue to make related materials, including transcripts, written submissions, and reports accessible to the public.
- Seek local, state, and federal government advocacy opportunities to encourage adoption of policies that maximize competition and consumer welfare by consideration of both the costs and benefits for consumers.
- Identify opportunities to expand the use of explanatory public statements to further improve the public’s understanding of the FTC’s decision-making process when the agency elects not to take enforcement action in key matters.

Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.

Goal Leaders: Director, Office of International Affairs; Director, Bureau of Competition; Director, Bureau of Economics

The FTC continues to build cooperative relationships with domestic and foreign anti-trust agencies to ensure close collaboration on cases and convergence toward sound competition policies.

On the domestic front, the FTC seeks to collaborate with other agencies and the state attorneys general to obtain the best results and maximize the use of limited resources in the enforcement of the U.S. antitrust laws.

With its foreign partners, the FTC seeks to effectively coordinate reviews of multijurisdictional matters, including by achieving consistent outcomes in cases raising anti-competitive concerns. Participation in multilateral competition organizations provides valuable opportunities to promote international cooperation and convergence and for competition officials to share insights on law enforcement and policy initiatives.

Cooperation with competition agencies of other jurisdictions is a key component to an effective FTC competition enforcement program. With over 120 antitrust enforcers worldwide, it is critical that everyone work together to ensure that the international competition law system functions coherently and effectively. To accomplish this, the FTC builds strong bilateral relations with foreign counterparts and takes a lead role in multilateral fora to promote case enforcement cooperation and convergence toward sound competition policies.

The FTC provides technical assistance to newer competition agencies in foreign countries to help enhance their ability to achieve sound competition outcomes in enforcement and policy-making. This technical assistance helps protect U.S. interests by encouraging systems that apply standards to transactions and conduct affecting the global marketplace that are consistent with U.S. and worldwide best practices. The agency also provides policy advice through substantive consultations and written comments on areas of mutual concern.

Strategies

- Work more extensively within the U.S. government inter-agency process and with other domestic government entities to support the FTC's efforts to promote market-based competition and policy convergence.

- Broaden and deepen our cooperation with foreign competition agencies on anti-trust matters that are subject to concurrent review to improve the effectiveness of investigations and promote consistent outcomes.
- Promote policy convergence toward sound and effective antitrust enforcement internationally by working with a greater number of foreign competition agencies, including bilaterally through substantive consultations, written comments, and the provision of technical advice, and, multilaterally, by taking leadership roles in multilateral and regional organizations. Provide technical assistance to countries that are establishing competition regimes. Provide selected foreign officials with an opportunity to work alongside FTC attorneys, economists, and investigators to enhance their capacity to develop and implement sound competition policy and enforcement.

FY 2014 Progress Update for Strategic Objective

Progress made

To promote and protect free and vigorous competition, the FTC continues to build and strengthen relationships with competition agencies internationally and to work through multilateral fora and with domestic partners to promote convergence toward sound competition enforcement and policy. Progress made in FY 2014 included the following:

- *International Competition Network (ICN)* - The agency was selected as a Steering Group member for the 2013-2015 term, co-chaired the Agency Effectiveness Working Group, leading its multi-year project on competition agency investigative process, was an active member of the drafting teams for two of the ICN's most high-profile convergence efforts resulting in ICN Recommended Practices for Predatory Pricing Analysis Pursuant to Unilateral Conduct Laws and on Competition Assessment, and led the development of the ICN's comprehensive curriculum of training materials to serve as a virtual university on competition law and practice.
- *Multilateral Fora* - The agency continued its active participation and leadership in the Inter-American Competition Alliance, OECD, UNCTAD and APEC, to promote cooperation and convergence. For example, the agency played a key role in developing the OECD Competition Committee's long-term project on international cooperation and was one of the lead drafters of the recently adopted OECD Recommendation on international cooperation in competition cases.
- *Improving Cooperation in Merger and Unilateral Conduct Matters* - The U.S. entered into an antitrust cooperation agreement with Colombia and issued Best Practices on cooperation in merger investigations with the Canadian Competition Bureau.
- *Working Groups and Workshops* - The agency continued its working groups with the European Commission to discuss substantive and procedural issues that arise in

merger and unilateral conduct investigations and its series of informal workshops with staff from the Canadian Competition Bureau to share merger enforcement techniques and experience, and met with a host of bilateral partners.

- *Relations with Newer Agencies* - The agency expanded its USAID funded technical assistance program in Africa to include hands-on training of COMESA members and to provide additional training through a series of video-conference programs; consulted with drafters of the Philippines competition laws to bring the drafts into greater harmony with international best practice; and worked with the Chinese and Indian authorities to cooperate and consult on individual matters and conduct high level and staff meetings throughout the fiscal year, including hands-on training programs. In particular, the agency addressed challenges posed by enforcement of the Chinese Anti-Monopoly Law (AML) through dialogue with the Chinese AML agencies and government and consultation with U.S. stakeholders and other involved U.S. agencies.
- *Working within the U.S. government* - The agency also worked with other U.S. colleagues in intergovernmental fora that address competition issues, e.g., on OECD accession and competitive neutrality issues, and as members of the Trans Pacific Partnership and Trans-Atlantic Trade and Investment Partnership negotiating teams.


Challenges or barriers

The FTC international competition work is a long-term initiative that can be affected by events and broader interactions between the U.S. and other countries outside of its control. For example, political turmoil in Egypt, Pakistan, and the Ukraine has made it more difficult to continue our efforts to build the capacity of the competition authorities in these jurisdictions.

Performance Goals

- Performance Goal 2.3.1 Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes. (Output measure)
- Performance Goal 2.3.2 Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC. (Output measure)

The first performance goal tracks the number of cases in which foreign antitrust authorities followed consistent analytical approaches and reached compatible outcomes as a percentage of the total number of cases in which the FTC's cooperation involved at least one substantive contact. The second performance goal will track policy advice and technical assistance the FTC provides to foreign competition agencies through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, comments, or hosting of international fellows and interns.

| | | | |
|---|---|--------|---|
|  | Key Performance Goal 2.3.1 | | |
| | Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes. (Output measure) | | |
| 2016 | Target | 95.0% | TARGET MET/EXCEEDED In FY 2014, the FTC had 63 substantive contacts in 37 enforcement matters with counterpart agencies around the world including Australia, Brazil, Canada, China, the European Union, France, Germany, Japan, Korea, Mexico, Russia, and the United Kingdom. Those agencies reached compatible outcomes in all of the cases that were completed within the fiscal year. While the FTC will continue to strive for 100% success, the target reflects the possibility of inconsistent outcomes, particularly as new antitrust agencies begin to assert their jurisdiction. |
| 2015 | Target | 95.0% | |
| 2014 | Target | 95.0% | |
| | Actual | 100.0% | |
| 2013 | Target | 90.0% | |
| | Actual | 100.0% | |
| 2012 | Target | 90.0% | |
| | Actual | 100.0% | |
| 2011 | Target | 90.0% | |
| | Actual | 100.0% | |
| 2010 | Target | 90.0% | |
| | Actual | 100.0% | |

Performance Goal 2.3.2

Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC. (Output measure)*

| 2016 | Target | 120 | <p>TARGET MET/EXCEEDED</p> <p>In FY 2014, the FTC provided policy advice to foreign competition agencies in 128 instances through consultations, written submissions, or comments. The FTC’s policy advice remains highly regarded and sought after by new and more experienced competition agencies and by participants in international competition organizations and conferences. Also in FY 2014, the agency conducted 27 technical assistance missions and hosted six officials as part of our International Fellows Program. Fourteen of the technical assistance missions and one International Fellow was funded through the U.S. Agency for International Development, the Department of State, or the host agency.</p> <p>*Previously tracked as two separate performance measures – policy advice provided and technical assistance provided - these two performance measures were combined into a single performance goal starting in FY 2014.</p> |
|------|--------|-----|---|
| 2015 | Target | 120 | |
| 2014 | Target | 120 | |
| | Actual | 161 | |
| 2013 | Target | 70 | |
| | Actual | 134 | |
| 2012 | Target | 70 | |
| | Actual | 173 | |
| 2011 | Target | 50 | |
| | Actual | 139 | |
| 2010 | Target | 50 | |
| | Actual | 136 | |

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Support the Bureau of Competition’s enforcement by providing effective assistance with the international aspects of its investigations and litigation.
- Maintain the FTC’s leadership role in the International Competition Network (ICN), by participating in the Steering Group and in the ICN’s work on agency effectiveness, unilateral conduct, mergers, investigative process, and the online curriculum project.
- Enhance the FTC’s participation in other multilateral and regional fora, including the OECD, UNCTAD, and APEC.
- Advance cooperation and convergence with foreign competition agencies by improving cooperation in merger matters and on anticompetitive conduct policy and enforcement, including developing new tools for cooperation and leadership on multilateral initiatives.

- Strengthen relations with the Chinese and Indian competition agencies through dialogue on policy initiatives and case cooperation as appropriate, and the provision of technical assistance.
- Work with other U.S. agencies in bilateral settings and intergovernmental fora that address competition issues, including members of the China interagency team and the Trans Pacific Partnership and Trans-Atlantic Trade and Investment Partnership negotiating teams.
- Continue the FTC's robust international competition technical assistance program for newer competition agencies.
- Further develop the International Fellows and staff exchange programs.

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Strategic Goal 3: Advance Organizational Performance

The FTC believes that advancing organizational performance at all levels creates a strong foundation for overall mission success. The agency's work in Strategic Goal 3 highlights ongoing efforts to advance organizational performance and, thereby, enhance the agency's ability to focus on protecting consumers and maintaining competition.

Goal 3 is inherently collaborative, and primarily encompasses key management areas in the FTC: human capital, infrastructure and security, information technology resources, finance and acquisition, and equality of opportunity in employment. These efforts foster leadership and accountability across the agency and establish a culture of customer service, constituent responsiveness, and effective planning, administration, and management. Employees at all levels are expected to show leadership in their areas of responsibility by exhibiting a willingness to develop and coach others, a commitment to teamwork, and a drive to find innovative solutions.

Evaluations and Research

- The agency rigorously reviews its management functions.
- The FTC's financial statements are audited annually, which encompasses a thorough overview of the agency's financial position and various transactions throughout the fiscal year.
- The FTC performs targeted reviews of internal controls. The areas targeted for review are determined by several factors, including risk assessment, management input, prior audits and reviews results, and the external (regulatory) environment. Management evaluates the results from the internal control reviews to determine what processes should be modified to strengthen controls and/or improve efficiency.
- With respect to the information technology and privacy arena, annual FISMA reviews are conducted, and the agency reviews and acts on any areas that need improvement.
- In the area of human capital, the FTC regularly reviews and acts on the results of the Office of Personnel Management's Annual Federal Employee Viewpoint Survey. Several areas that OPM periodically examines include a Human Capital Management Evaluation, a Delegated Examining Unit Examination, and Performance Assessments of General Schedule and Senior Executive Service Performance Management Systems. Additionally, the Equal Employment

Opportunity Commission (EEOC) performs technical assistance visits or program reviews. In FY 2014, EEOC conducted a technical assistant visit.

In addition, the FTC looks to outside groups, such as the Office of the Inspector General, for independent reviews of its activities.

Objective 3.1: Optimize resource management and infrastructure.

Goal Leaders: Executive Director, Office of the Executive Director; General Counsel, Office of the General Counsel

The creation, modernization, and maintenance of physical, financial and information resources and infrastructure not only provides for a safe, secure, and efficient workplace but also helps the agency to achieve its mission and respond to, and anticipate, future agency needs.

These efforts span several FTC offices and functions. For example, the agency's Continuity of Operations Plan (COOP) ensures that the agency can respond to, and recover from, an emergency situation effectively. The FTC is also committed to effective and efficient management of information resources, and is transitioning to managing most information resources electronically, for example, by developing and implementing a web-based system for public filings in all FTC administrative litigation proceedings. This transition will enable staff to perform work more efficiently, facilitate public access, and protect sensitive information from inappropriate access.

Ensuring the FTC has an effective and secure information technology infrastructure is essential to meeting the Commission's strategic goals. The Office of the Chief Information Officer delivers value by identifying and providing a host of critical high quality, low-risk information technology (IT) services that are agile enough to meet the agency's business needs.

The FTC believes in the importance of accountability and transparency, as shown through resource stewardship and financial oversight activities. The work in this area covers a wide range of administrative and operational efforts, such as formulating and executing the agency budget, managing acquisition activities, overseeing the internal control program, managing accounting operations, spearheading audit resolution, and ensuring compliance with financial management laws and regulations.

This transparency is also evident in the FTC's work to improve internet access to public agency documents. With respect to public documents newly approved or authorized by the Commission, the FTC will continue to post text-searchable electronic versions on the public FTC website in conjunction with applicable news releases. As resource levels

permit, the agency will also continue to post public documents generated prior to the establishment of the FTC's website in 1996.

Strategies

- Improve the effectiveness and efficiency of financial management operations. Over the next five years, the FTC plans to fully integrate its procurement and core financial systems. This complete financial management system will strengthen the agency's internal controls, improve efficiency of the procurement process, and provide agency staff with timely information regarding budget execution and the availability of funds.
- Improve agency IT services by building redundancy into the FTC's IT infrastructure to support vital services, creating virtual computing environments to consolidate the management and utilization of IT resources, and investing in new technologies to further support the FTC's mission.
- Transition to electronic information resource management by: (1) Developing an agency-wide information governance policy that provides enterprise-level standards for file structures for organizing information, mandatory and optional metadata (searchable information about the document), document naming conventions, access restrictions, and retention rules and triggers. (2) Implementing an Enterprise Content Management System (ECMS) that staff will use to draft, collaborate on, and finalize work, including consumer protection and competition case filings. The ECMS will enable us to maintain agency records in a secure electronic format for the required retention period and to transfer permanent agency records to the National Archives and Records Administration (NARA).
- Reduction of the agency's energy consumption and promotion of recycling of materials and equipment. Improvements that yield the greatest benefit relative to cost will be incorporated into the development of a new performance indicator.

FY 2014 Progress Update for Strategic Objective

Progress made

- *Consolidated satellite offices into the Constitution Center* – The FTC completed a project that began in 2008 as it prepared for the 2012 lease expiration at its facility at 601 New Jersey Avenue in Washington, D.C. The FTC worked closely with the General Services Administration (GSA) developing a program of requirements that met the prospectus model required by Congress. The FTC also began working with the Office of Management and Budget to develop the funding requirements over several fiscal years to support the build out and furnishing of the replacement facility. In 2012, GSA selected the site at Constitution Center for the FTC offices. Work began immediately to inform staff of the decision and develop cross-functional teams to ensure the design met the needs of the FTC Bureaus.

Architects provided design options to the cross functional-teams for approval, and construction began in the fall of 2013. Through this collaborative effort, the FTC ultimately reduced its footprint by consolidating its employees in the D.C. area from three locations to two. The FTC's Administrative Services Office coordinated this initiative and continued to work closely with staff and leadership at all levels throughout the agency to ensure a smooth transition. A project integrator assisted the agency during the consolidation to help ensure compliance with Federal statutes and regulations; track and assess costs, expenditures, budget, procurements, schedule, performance and risk; and maintain a complete record of the project. Success was measured by the safe and timely transition of slightly more than 800 employees by June of 2014 without undue interruption to the agency's work and by keeping the overall cost of the move below budget.

- *Transition to digital records management –*
 - » As part of the agency's transition to electronic record keeping, the Records and Filings Office (RFO) issued guidance in 2013 to agency staff that federal records – including email records – can be stored on shared drives as part of a matter's file. This is consistent with the agency's business process and with guidance issued by the NARA.
 - » In FY 2014, RFO deployed a universal search function in the FTC's Electronic Document Management System (Documentum) that allows staff to search the two major repositories in the system at the same time. The universal search function enables staff to find relevant agency documents more efficiently.
 - » As part of its overall IT modernization effort, in FY 2014 the FTC began development of its strategic plan to transition to an ECMS. As part of its continued work to develop agency-wide information governance, RFO worked with the Bureaus to develop a master file plan template that will support efficient management of electronic information.
 - » Parties to the FTC administrative litigation proceedings now file virtually all public filings electronically using the FTC's web based E-Filing system. In FY 2014, RFO began work to enhance the E-Filing system to include electronic service of public filings and an electronic docket of public filings, as well as expand the system to include non-public filings. These enhancements will enable the FTC to receive and maintain public and non-public records of these proceedings in electronic format to the greatest extent possible. In addition, nearly all public comments in FTC rulemakings and other proceedings that seek public comment are now filed online instead of in paper format.
 - » During this transition period, the agency continues to train and guide staff on identifying federal records (including emails), the retention and disposition of records under the agency's retention schedule, document and federal re-

cords management, protecting confidential information, and privacy and data security.

- *Upgraded the agency's mobile device platform and remote access telework portal* – In FY 2014, the FTC began the process of transitioning from the legacy BlackBerry infrastructure and mobile devices to a more robust smartphone platform. The Office of the CIO (OCIO) awarded a new contract for the purchase of iOS and Android devices and the associated voice and data services. In addition to the purchase of new devices, the OCIO purchased and began the implementation of a new cloud-based mobile device management (MDM) solution. This solution provides higher availability for the agency's mobile device infrastructure and greater flexibility in mobile device offerings for employees. Moving to a smartphone platform provides employees with a more user-friendly interface and greater options for mobile applications and productivity.
- *Launched improved internal controls tracking process* – In FY 2014, the Financial Management Office established a process to track and monitor the agency's open audit findings and recommendations from the OIG, GAO, and other sources. Using a limited-access reporting tool, Bureaus and Offices create and update action plans to address recommendations, and discuss them with senior management and the OIG on a regular basis. This regular review process strengthens the agency's internal controls and enhances transparency of operations.

Challenges or barriers

- *Deployment of a Single-Sign-On solution to support the implementation of HSPD-12* – In FY 2014, the OCIO began the development of high-level business requirements for the implementation of logical access using Personal Identification Verification (PIV) cards. The project experienced delays during FY 2014 due to resource constraints created by our move to Constitution Center. With the move completed, the OCIO is working to have resources reassigned to the logical access via PIV card project, with the goal of deploying the logical access using PIV cards solution in the second quarter of 2016.
- *Updating purchase card policy and procedures to comply with the Government Charge Card Abuse Prevention Act of 2012* – The FMO performed an internal purchase card review in FY 2014 to verify that the FTC's policy and procedures complied with the Government Charge Card Abuse Prevention Act of 2012. The review showed that management of the purchase card program could be strengthened with a detailed procedure map and improved standard operating procedures. The review also demonstrated the value in providing detailed guidance to cardholders and their respective approving officials. The FMO is working to strengthen and update the purchase card policy, procedures, and guidance which will culminate in FTC-specific training in FY 2015.

Performance Goals

- Performance Goal 3.1.1 A favorable Continuity of Operations (COOP) rating. (Output measure)
- Performance Goal 3.1.2 Availability of information technology systems. (Outcome measure)
- Performance Goal 3.1.3 Achieved a favorable (unmodified) audit opinion from the agency’s independent financial statement auditors. (Outcome measure)
- Performance Goal 3.1.4 Average number of days for the FTC to release information in response to a simple FOIA request. (Efficiency measure)

These performance goals gauge important dimensions of maintaining physical and information technology infrastructure and security. A COOP rating offers insight into agency preparedness across a wide spectrum of issues related to facility and operations management. The second performance goal will address the availability of 10 mission-critical IT systems, such as email, telecommunications, Internet access, and mobile devices. Network availability addresses the reliability of the FTC computer and communications systems. The financial statement audit determines whether our financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit also addresses internal controls and compliance with applicable laws and regulations. The fourth performance goal will track the agency’s response time in processing a simple FOIA request for access to public records.

| Performance Goal 3.1.1 | | | |
|--|--------|-------|--|
| A favorable Continuity of Operations (COOP) rating. (Output measure) | | | |
| 2016 | Target | 75.0% | TARGET MET/EXCEEDED The FTC’s overall score of 85.0% for the Eagle Horizon 2014 Exercise reflects the strong overall commitment and continued support of the FTC COOP. The FTC will continue to better define its essential functions and ensure that effective procedures are in place. |
| 2015 | Target | 75.0% | |
| 2014 | Target | 75.0% | |
| | Actual | 85.0% | |
| 2013 | Target | 75.0% | |
| | Actual | 85.0% | |
| 2012 | Target | 75.0% | |
| | Actual | 90.0% | |
| 2011 | Target | 75.0% | |
| | Actual | 75.0% | |
| 2010 | Target | 75.0% | |
| | Actual | 85.0% | |

Performance Goal 3.1.2

Availability of information technology systems. (Outcome measure)

| | | | |
|------|--------|---------|--|
| 2016 | Target | 99.50% | <p>TARGET MET/EXCEEDED</p> <p>The FTC’s information technology services pool averaged 99.98% availability, exceeding the target of 99.5%. During FY 2014, the FTC completed an upgrade of network hardware components with the move to Constitution Center and the decommissioning of aging network components at 601 New Jersey Avenue. The move also allowed the OCIO to increase redundancy and improve availability for critical network operations. Additionally, the FTC improved the stability and reliability of the SAFE remote access solution for employees through the implementation of a Virtual Desktop Infrastructure and improved login capabilities.</p> <p>Note: Results for this performance measure are presented to two decimals because rounding the number materially changes the result.</p> |
| 2015 | Target | 99.50% | |
| 2014 | Target | 99.50% | |
| | Actual | 99.98% | |
| 2013 | Target | 99.50% | |
| | Actual | 100.00% | |
| 2012 | Target | 99.00% | |
| | Actual | 99.86% | |
| 2011 | Target | 98.50% | |
| | Actual | 99.82% | |
| 2010 | Target | 98.00% | |
| | Actual | 99.77% | |

Performance Goal 3.1.3

Achieved a favorable (unmodified) audit opinion from the agency’s independent financial statement auditors. (Outcome measure)

| | | | |
|------|--------|---|--|
| 2016 | Target | <i>Unmodified opinion on the financial statements</i> | <p>TARGET MET/EXCEEDED</p> <p>The agency received a “clean” (unmodified) opinion on its financial statements. The opinion is determined by the independent auditor’s review and test of internal controls over operations and financial reporting and the auditor’s determination that the financial statements and notes are presented fairly.</p> |
| 2015 | Target | <i>Unmodified opinion on the financial statements</i> | |
| 2014 | Target | Unmodified opinion on the financial statements | |
| | Actual | Unmodified opinion | |
| 2013 | Target | Unqualified opinion on the financial statements | |
| | Actual | Unqualified opinion | |
| 2012 | Target | Unqualified opinion on the financial statements | |
| | Actual | Unqualified opinion | |
| 2011 | Target | Unqualified opinion on the financial statements | |
| | Actual | Unqualified opinion | |
| 2010 | Target | Unqualified opinion on the financial statements | |
| | Actual | Unqualified opinion | |

Performance Goal 3.1.4

Average number of days for the FTC to release information in response to a simple FOIA request. (Efficiency measure)*

| 2016 | Target | 6.0 days | TARGET MET/EXCEEDED In FY 2014, the FTC endeavored to process noncomplex Freedom of Information Act (FOIA) requests in less than six days. Despite an increase in the number of FOIA requests received, the FTC exceeded its goal by processing noncomplex requests within an average of 5.4 days. Also, the FTC received the highest rating for its FOIA program in the Department of Justice's (DOJ) 2014 Summary of Agency Chief FOIA Officer Reports Assessment of Federal Departments and Agencies. The report contained an overall assessment of the FTC's performance in processing FOIA requests and the steps taken to ensure the agency maintains an efficient and effective system in place for responding to requests. Due to the FTC's high ranking, DOJ invited FTC's Chief FOIA Officer to serve on a DOJ training panel to assist other federal departments and agencies. *New performance goal in FY 2014. Historical data shown for context. |
|------|--------|----------|---|
| 2015 | Target | 6.0 days | |
| 2014 | Target | 6.0 days | |
| | Actual | 5.4 days | |
| 2013 | Actual | 7.4 days | |
| 2012 | Actual | 5.3 days | |
| 2011 | Actual | 1.5 days | |
| 2010 | Actual | 8.1 days | |

Other Indicators

- Performance against the Small Business Administration's government-wide small business procurement goals. (Outcome measure)

Achieving the agency's small business procurement goal demonstrates that its procurements meet or exceed a major federal acquisition standard.

- » FY 2014: 45.9%
- » FY 2013: 49.5%
- » FY 2012: 57.7%
- » FY 2011: 46.3%
- » FY 2010: 58.9%

FY 2015–2016 Next Steps and Future Actions for Strategic Objective

- Evaluate COOP rating and determine support requirements.
- Continue to work with staff at all office locations to better understand their needs and be prepared to offer the services they require to support the agency mission.
- Research alternatives such as telework participation, job sharing, hoteling, and locating contractor staff off-site.
- Identify and implement business process improvements through effective use of technology to facilitate the agency's decision making processes and its management of cases.
- Promote the use of web-based e-filing of public comments in the FTC rulemakings and other proceedings that seek public comments, to facilitate public participation and web posting of comments.
- Promote the use of web-based e-filing in the FTC administrative litigation proceedings under Part 3 of the Rules of Practice, to facilitate filing by participants in those proceedings and web posting of public filings.
- Provide information and records management training and outreach to staff, with special emphasis on managing information electronically throughout its lifecycle.
- Implement an integrated financial management and procurement system. This integrated system will create efficiencies between the agency's finance, budget, and accounting groups, as well as provide data reporting capabilities not currently available. Integration will streamline the agency's financial and procurement management activities by greatly reducing time spent performing manual tracking.
- Document improved processes and policies for financial and acquisition management that promote integrity, transparency, efficiency, and effectiveness.
- Continue to implement a new travel management system in accordance with GSA's electronic travel system initiative (ETS2). The FTC went live with the new system in early FY 2015.
- Migrate to cloud-based solutions for core IT services, such as email, to ensure high availability and decreased risk of system failure.
- Upgrade mobile devices and remote access services to improve user experience and accessibility and increase reliability.
- Continue building redundancy in the IT infrastructure through alternate and secondary data processing to allow high availability in the event of a failure or shutdown of the main data center.

- Execute periodic life-cycle replacements of infrastructure hardware and operating systems to prevent system failure and decrease security risk.
- Develop and implement a comprehensive strategic and modernization roadmap to steer the FTC's efforts to improve and optimize the FTC infrastructure.
- Launch a new e-Discovery support system that will allow the FTC to streamline its e-Discovery processes and meet requirements set by the Federal Rules of Civil Procedure.
- Develop and deploy enhancements to the web-based system for filings in the FTC administrative litigation proceedings, in order to receive and maintain public and non-public records of such proceedings in electronic format to the greatest extent possible.
- Continue to develop an agency-wide information governance policy to support efficient management of electronic information with appropriate access restrictions.
- Continue work to implement an ECMS that will enable the FTC to maintain and transfer records to NARA in a secure electronic format.

Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce.

Goal Leaders: Executive Director, Office of the Executive Director; Director, Bureau of Consumer Protection; Director, Bureau of Competition; Director, Bureau of Economics; General Counsel, Office of General Counsel

This objective encompasses leadership and knowledge management, a results-oriented performance culture, talent management, and job satisfaction. The FTC uses an integrated approach to link human capital programs and policies to agency mission, goals, and strategies and to provide continuous improvement in efficiency and effectiveness. The objective captures the FTC's work and ensures the presence of the right talent in the right positions at the right time to meet the challenges of the 21st century. It also captures efforts to tap into the rich resources of the global community and ensure fairness in the workplace. By attracting, developing, motivating, and retaining a high-performing, diverse, inclusive, and engaged workforce, the FTC advances organizational performance. By having a workforce that looks like and draws from the consumers it protects, the FTC strengthens its ability to meet its mission.

The FTC uses the Federal Employee Viewpoint Survey administered by OPM to measure success in this objective. The survey focuses on employees' perceptions of critical

areas of their work life and workforce management, and measures factors that influence whether employees want to join, stay, and help their agency meet its mission.

In addition, the FTC uses [Management Directive 715 \(MD-715\)](#), which is submitted by the agency to the U.S. Equal Employment Opportunity Commission on an annual basis. MD-715 is a tool for agencies to use to ensure that all workers are competing on a fair and level playing field and have the opportunity to achieve their fullest potential.

Strategies

- One of the key strategies to achieving this objective entails using integrated workforce planning to identify and fulfill current and future human capital needs to carry out the agency's mission and implementing programs and processes to enable us to recruit, develop, and retain a highly qualified and diverse workforce.
- The FTC strives to create an agency-wide performance culture that focuses on individual and organizational accountability toward achieving the FTC's programmatic goals and priorities. The agency also seeks to achieve this objective by providing quality training and outreach to staff.

FY 2014 Progress Update for Strategic Objective

Progress made

- Expanded the human resources flexibilities to include the Superior Qualification Appointment authority, which provides managers additional tools to attract high-performing individuals to the FTC.
- Ensured supervisors and managers were aware of their responsibilities, when using human resources flexibilities, to abide by the merit system principles and incorporate them into the FTC's management decisions. A memorandum was sent to supervisors and managers outlining their responsibilities with a link to the Administrative Manual that explains their obligations.
- Finalized the FTC's Leave Bank Program policy, which provides an additional wellness option to assist employees or employee's family members affected by a personal or family medical emergency, including pregnancy and childbirth, and other medical conditions requiring absence from work for a prolonged period.
- Improved the efficiency and user experience with the FTC's learning management system, *e-Train*. Entered into an Memorandum of Understanding (MOU) with OPM to make online training courses from the Human Resources University available on *e-Train* at no cost to the FTC.

- Established a Workforce Flexibility Team with membership from across the agency to create and implement a vision for future workplace initiatives.
- The FTC held its Second Annual Diversity Summit designed to educate managers and staff on the value of a diverse and engaged workforce and to develop practical and actionable strategies for creating an inclusive environment. Additionally, the FTC has contracted with a vendor to provide diversity and inclusion training to employees in FY 2015.
- Continued to rank highly in various categories of OPM's Federal Employee Viewpoint Survey. Compared to 37 other federal agencies with over 1,000 employees, the FTC ranked first place in *Results-Oriented Performance Culture* and *Leadership and Knowledge Management*, second place in *Talent Management*, and fifth place in *Job Satisfaction*.

Challenges or barriers

- The FTC faced challenges in the recruitment and retention in mission support areas and in reducing skills gaps to address emerging issues in privacy and information technology. Last winter, the agency opened a buy-out and early-out window as one means to reshape the workforce, reduce skills gaps, and recruit individuals with the right skills to meet our mission. The Voluntary Separation Incentive Payment Authority (buy-out) allows an agency to offer employees lump-sum payments as an incentive to voluntarily separate. The Voluntary Early Retirement Authority (early-out) allows an agency to temporarily lower the age and service requirements in order to increase the number of employees who are eligible for retirement. When requested by an agency and approved by the U.S. Office of Personnel Management, these workforce restructuring tools help agencies complete needed organizational change with minimal disruption to the workforce.


Performance Goals

- Performance Goal 3.2.1 FTC achieves a high ranking in the "Best Places to Work in the Federal Government." (Outcome measure)
- Performance Goal 3.2.2 The extent employees believe the FTC has the talent necessary to achieve organizational goals. (Outcome measure)
- Performance Goal 3.2.3 The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive. (Outcome measure)

The FTC recognizes that its employees are its greatest asset and places great emphasis on the importance of human capital management to the successful accomplishment of its mission. The FTC seeks employee feedback on the extent the FTC has the right talent

in the right positions at the right time to carry out the mission and the extent the FTC makes employees feel they belong and are uniquely valued. The “Best Places to Work in the Federal Government” performance goal is a tool for ensuring that employee satisfaction is a top priority for managers and leaders. The FTC is not only measured on overall employee satisfaction, as tracked by the other two performance goals, but are scored in 10 workplace categories, such as effective leadership, employee skills/mission match, pay, teamwork and work/life balance.

| Performance Goal 3.2.1 | | | |
|--|--------|--|---|
| FTC achieves a high ranking in the “Best Places to Work in the Federal Government.” (Outcome measure)* | | | |
| 2016 | Target | Within the top 10 of mid-size agencies | TARGET MET/EXCEEDED Compared to 25 other departments and agencies with 1,000 to 14,999 permanent employees, the FTC ranked 4th. *New performance goal in FY 2014. Historical data shown for context. |
| 2015 | Target | Within the top 10 of mid-size agencies | |
| 2014 | Target | Within the top 10 of mid-size agencies | |
| | Actual | Ranked 4th | |
| 2013 | Actual | Ranked 4th | |
| 2012 | Actual | Ranked 5th | |

| | | | |
|---|---|---|---|
|  | Key Performance Goal 3.2.2 The extent employees believe the FTC has the talent necessary to achieve organizational goals. (Outcome measure) | | |
| | 2016 | Target | <i>Exceed the government-wide results on the Federal Employee Viewpoint Survey's Talent Management Index.</i> |
| 2015 | Target | <i>Exceed the government-wide results on the Federal Employee Viewpoint Survey's Talent Management Index.</i> | |
| 2014 | Target | 55.0% | |
| | Actual | 70.0% | |
| 2013 | Target | 56.0% | |
| | Actual | 69.0% | |
| 2012 | Target | 59.0% | |
| | Actual | 70.0% | |
| 2011 | Target | 60.0% | |
| | Actual | 70.0% | |
| 2010 | Target | 60.0% | |
| | Actual | 72.0% | |

| | | | |
|---|--------|--|--|
| Performance Goal 3.2.3 The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive. (Outcome measure) | | | |
| 2016 | Target | <i>Exceed the government-wide results on the Federal Employee Viewpoint Survey's Diversity & Inclusion – The New IQ Index.</i> | TARGET MET/EXCEEDED The government-wide results for the New IQ Index were 56% and the FTC received results of 68%. |
| 2015 | Target | <i>Exceed the government-wide results on the Federal Employee Viewpoint Survey's Diversity & Inclusion – The New IQ Index.</i> | |
| 2014 | Target | 56% | |
| | Actual | 68% | |

FY 2015 – 2016 Next Steps and Future Actions for Strategic Objective

- Promote and expand the use of human resources flexibilities throughout the FTC.
- Use innovative ways to reach out to managers, supervisors, and employees on human resources issues.
- Identify and implement business process improvements through effective use of technology to facilitate the FTC's human resources. For example, the agency will modernize its official personnel folders to increase efficiency in the agency's human resources operations.
- Identify and provide diversity and inclusion training to employees.

Other Information

Major Management Priorities and Challenges

FTC's management priorities are incorporated into Goal 3, Advance Organizational Performance. Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce, focuses broadly on ensuring we have the right talent in the right positions at the right time, which requires human capital development goals. A key priority is to be one of the best places to work in the federal government. Each year, the Commission partners with the Partnership for Public Service in a leadership development program. The program recognizes, as we do, the need to identify a cadre of high-performing individuals and develop their skills as our future supervisors, managers, and leaders. The program serves as an important succession planning tool to fulfill the FTC's future mission requirements – and provides an exceptional professional development opportunity for employees. As another example of this management priority, the FTC's Bureau of Consumer Protection and Bureau of Competition have focused attention on the continuous development of their employees through their mentoring programs. For at least the past five years, BCP and BC have run successful formal mentoring programs open to all BCP, BC, and regional office employees. The program creates an environment in which unique skills and perspectives that each staff member brings are recognized and valued; diversity is fostered; and excellence, innovation and risk-taking are promoted. The Mentoring Programs provide significant opportunities to build and share organizational knowledge and expertise by capitalizing on the experiences of successful individuals who are committed to the development of a high performance work force. The Bureaus continuously evaluate their mentoring programs to ensure a meaningful experience for each participant. Recently, the Office of the Executive Director began a similarly focused formal Mentoring Program that has received very positive feedback from participants. In response to cost saving initiatives, both the Bureau of Competition and the Bureau of Consumer Protection recently developed in-house training programs that, like the mentoring programs, leverage the talent and experience of the agency's existing human capital to develop appropriate programs and deliver content. The agency plans to continue these efforts in FY 2015.

The FTC and the Office of Inspector General (OIG) work collaboratively on addressing key management challenges. The following challenges are based on work conducted by the Office of Inspector General and discussions with senior leaders at the FTC. Along with a summary of these management challenges are brief assessments of the agency's progress in addressing these challenges.

Management Challenge: Securing the Agency's Information Systems and Networks from Destruction, Data Loss, or Compromise

The Federal Trade Commission (FTC) Office of Inspector General (OIG) conducts annual Federal Information Security Management Act (FISMA) reviews, which evaluate the effectiveness of FTC information security and privacy programs. While the OIG has found the FTC to be in substantial compliance with FISMA and other applicable privacy and security requirements, the ability to protect information assets is a complex challenge for the FTC.

In an environment where technology is changing at an increasing rate, the FTC faces emerging vulnerabilities as it integrates new technologies (e.g., cloud and mobile computing) into its Information Technology (IT) infrastructure, encounters changing and pervasive threats, and is targeted by individuals incentivized to disrupt or compromise its operations. In addition, guidance for federal agencies has become more flexible, which allows agencies to tailor information protection solutions specific to their needs, but provides less direction as to what solutions are effective.

The information security and privacy environment is fluid and ever-changing, which means it will pose a constant challenge for the FTC. In addition to an ever-changing environment, the FTC experienced obstacles to its efforts to improve the information security and privacy programs when senior management turned over (the Executive Director and Chief Information Officer retired), and when the FTC consolidated its two Washington, D.C. satellite offices into one location at Constitution Center. The FTC's reactive security measures were strong during these disruptions, but heavily relied on the workforce to maintain information security and privacy programs. Developing more mature information processes will ensure that the FTC security and privacy programs continue to provide high levels of protection for FTC information assets, but with less workforce stress, greater operational consistency, and improved security.

Agency Progress in Addressing this Challenge

The OCIO and the Chief Privacy Officer (CPO) continue to work with FTC system owners and managers to ensure that information security and privacy requirements are identified, documented, communicated appropriately, and incorporated into the design and implementation of each system. System owners and managers are reminded that periodic test and evaluation of information security and privacy controls is necessary to ensure effective implementation and operation of those controls. They are also reminded that maintaining and, as necessary, updating the corresponding information security and privacy documentation (such as system security plans and Privacy Impact Assessments) is a pre-requisite to issuance and retention of the system's authorization to operate. OCIO staff, along with the Office of General Counsel staff and the CPO, continue to meet with system owners to make sure that contract language addresses information security and privacy controls and related FTC practices and procedures, including continuous monitoring, so that Contracting Officer Representatives (CORs) can manage and assist in evaluating the compliance of contractor-hosted systems and

services. As the OCIO and the CPO continue to work closely to implement and coordinate privacy controls with information security controls, as required by NIST Special Publication 800-53 rev. 4, the FTC will continue to develop and improve its risk-based assessments of information security and privacy as new technologies are integrated into the FTC infrastructure.

Related to the implementation and coordination of controls, in FY 2014 the FTC launched a process improvement initiative to track and monitor the agency's open audit findings and recommendations through a data-driven monthly review process. Management officials report on the status and progress of their items to senior management, and FMO ensures that relevant documentation is gathered and maintained in a limited-access reporting tool. This regular review process strengthens the agency's internal controls and enhances transparency of operations.

Also in FY 2014, the FTC consolidated its satellite offices into the newly renovated Constitution Center and the FTC Headquarters building. The OCIO relocated select IT services and applications previously hosted in the New Jersey and Headquarters buildings, to the Constitution Center, consolidating applications and services in proximity of the user and to provide for future expansion. The move also allowed OCIO to upgrade and replace aging infrastructure components with newer, more secure products with better performance including replacing the agency's firewall infrastructure and upgrading equipment in the OCIO's Acceptance Testing and Development environments. In FY 2015 and FY 2016, the OCIO will continue to replace and upgrade aging infrastructure equipment and operating systems to decrease risk of system failure and security vulnerabilities.

The control of IT assets during the move to Constitution Center was critical, and included the movement of desktop equipment (e.g., laptops, workstations, telephones, TVs, and computer monitors) for over 700 FTC staff, as well as all network (data center) and audio/video equipment (e.g., servers, switches, routers, storage, cameras, VTCs). The IT Asset Management Team performed a full physical inventory of all assets moved and coordinated with system administrators to decommission and dispose of assets that were deemed "end of life." In FY 2015 and FY 2016, the IT Asset Management Team will continue to refine policy and procedure, formalize reporting and statistical sampling requirements, and incorporate a variety of electronic tools to assist with mandatory inventory requirements.

In FY 2015 and FY 2016, the FTC will begin to move select core IT services to the cloud to improve service offerings and resolve outstanding security vulnerabilities. The FTC recognizes the need to improve the availability of core IT services in a secure and cost effective manner. As part of the evaluation of potential cloud service offerings, the FTC has utilized the standards set forth by the Federal Risk Authorization and Management Program (FedRAMP) to ensure the most stringent security measures are in place to protect agency data. The use of cloud services will also decrease risk of data loss and service interruption if the FTC's main data center is unavailable.

Management Challenge: Leveraging the Value of Investments and Work Performed

The FTC must make effective use of limited resources by targeting its law enforcement and education efforts to maximize its desired outcome to protect consumers and promote competition. A complex marketplace, ever-evolving fraud schemes, declining budgets, and increasing workloads require continuous reassessment of management practices in achieving that objective.

The OIG performed an evaluation of the FTC's Bureau of Consumer Protection's (BCP) enforcement and non-enforcement strategies, goals, policies and procedures. This evaluation found that the BCP's strategic planning is a best practice in comparison to other agencies the OIG examined. This evaluation also identified opportunities, including better leveraging the value of investments and work performed, that could further maximize consumer protection and enhance an already strategic and successful program. While the review only looked at the BCP, we believe that leveraging the value of investments and work performed is a challenge across the FTC.

For example, the FTC has a Management Data Dashboard (MDD) that provides financial reports and certain information on staff activity, matters management, etc. While the evolution of the MDD is headed in the right direction, the data collected is from disparate systems that are not integrated to provide agency leaders with a broad perspective on the status of their operations. Integrated data on costs would better equip agency leadership to plan and monitor its work. When data management systems are not integrated and compatible, excessive use of resources and inconsistent analysis of program results can occur. In order to make informed decisions and ensure accountability, the FTC needs data management systems that can generate timely, accurate, and useful information.

Agency Progress in Addressing the Challenge

Given the breadth of the agency's jurisdiction, it is essential for the FTC to target its enforcement and education efforts to achieve the agency's goals and maximize results. As the OIG noted, BCP, as an example, conducts strategic planning to identify priority areas and to focus its resources. BCP also takes steps to leverage the value of its investments and the work it performs. With respect to enforcement actions, one of BCP's largest investments is its Consumer Sentinel database of consumer complaints. BCP uses this database to help target and develop its cases. BCP is implementing several OIG recommendations from the OIG's recent evaluation to ensure that it is maximizing the value of its investment. With respect to educational efforts, BCP leverages its resources and the work it performs by partnering with other governmental and non-governmental organizations. These organizations are well placed to get the information that the FTC produces into the hands of the people or businesses that need it. For example, in the three months since the FTC launched Pass It On – its paradigm-shifting campaign to educate older Americans about fraud – organizations in all 50 states ordered 500,000 copies of the materials. These organizations include state departments of aging, individual residential centers, banks, libraries, and social services agencies – each of whom

have relationships with older consumers and can distribute the materials directly to them.

In regard to the Management Data Dashboard (MDD), the OCIO continues to work with bureaus and offices to develop MDD as the agency's management information analysis and decision support system. Since February 2012, MDD has provided increasingly more matter, staff activity and financial information, reports and dashboards to BCP, BC and BE to enable various types of operations analysis and decision making. For example, in FY 2012, MDD integrated matter information from several disparate agency matter and matter event tracking systems and provided bureau managers with a full view of many stages of a case, such as investigation, consent negotiation, court litigation, administrative adjudication, order compliance and consumer redress. MDD integrates staff hours information with matter information and enables managers to analyze resource allocation by matter, by program, by topic, by issue, etc. MDD also enables managers to receive periodic email notification of matter events such as issuance of subpoenas and Civil Investigative Demands. In FY 2013, MDD integrated official commission document information into the system, enabling bureau managers to search and retrieve commission documents based on a wealth of matter and program information, in addition to document metadata.

In FY 2014, MDD integrated FTC core financial transaction data into the system and enabled bureau managers to analyze their respective organization's status of funds and spending categories. In September 2014, MDD further integrated detailed stenographic service and litigation support cost data into the system. For example, bureau managers are able to analyze different types of costs (expert witness, court reporting, litigation support, travel, etc.) associated with a particular enforcement actions, determine the average cost of matters within a particular program, and many other analysis scenarios that leverage integrated matter, staff activity and cost data. In FY 2015, MDD will expand to provide financial reporting and analytics to FTC non-bureau offices such as OIA, OPP, and OED. The MDD team will also continue to work with the three Bureaus in FY 2015 to enhance bureau reports and dashboards to make them more intuitive and relevant to specific management decision-making.

Management Challenge: Recruitment, Retention, and Staff Size

The FTC has a productive workforce replete with high performers. While it achieves impressive accomplishments for its size, it faces challenges in recruitment and retention in mission support areas, and having enough positions (Full Time Equivalents) across the FTC to perform its mission. The FTC has managed this challenge by triaging its projects and by relying on high performing employees and contractor support. This works as a short-term solution, but it is not sustainable long-term and it comes at the cost of mission effectiveness.

The area in which the FTC most experienced this challenge in FY 2014 is the Office of the Executive Director (OED). The OED provides critical mission support services for

the FTC, including facilities, security, budget, acquisitions, human resources, information technology, and records management. When OED key positions are vacant, or when it does not have the human resources it needs to operate effectively and efficiently, the whole agency is detrimentally affected. While the FTC consistently is rated one of the best places to work in the government, the FTC has experienced difficulty recruiting and retaining highly qualified individuals in some OED positions.

Agency Progress in Addressing the Challenge

The FTC is committed to maintaining its high performance standards in protecting American consumers and remaining among the best places to work by developing strategies that address our recruitment, retention, and staff size challenges.

The FTC continues to recruit highly talented individuals into our workforce. Last winter, the agency opened a buy out and early-out window as one means to reshape the workforce, reduce skills gaps, and recruit individuals with the right skills to meet our mission. Twenty-one employees accepted our offer and left in early January. While in the short-term, the loss of these employees required the agency to triage projects or use contractor support, in the long-term the agency is hiring individuals with the skills necessary for mission accomplishment now and in the future. This phenomenon was particularly acute in the Office of the Executive Director in which half of its leadership team retired in January 2013, including the Executive Director. The new Executive Director who came on board in late summer 2013 has made it a priority to fill all key OED positions, which will be accomplished in the very near future. To retain talented staff, the agency established a workforce flexibility team in FY 2014 to create a vision for future workplace initiatives. The FTC will continue to provide family friendly benefits for employees in balancing work and life issues and annually assess employee satisfaction to meet our recruitment and retention challenges. In FY 2014, the agency undertook an analysis of the use of full-time equivalents (FTEs) that assessed high priority program requirements and funding sources available to determine if any plus up of authorized FTE could be supported. Based on this analysis, an additional ten FTE were allocated across the agency to support long-term mission accomplishment. The agency will assess and adjust this decision in FY 2015 and beyond.

Management Challenge: Ensuring Compliance with Digital Records Management Requirements

In November 2011, President Obama signed a Presidential Memorandum, *Managing Government Records*, instituting a government-wide effort to reform records management policies and practices. In August 2012, the Office of Management and Budget and the National Archives and Records Administration issued a “Managing Government Records Directive” that requires agencies to eliminate paper and use electronic record-keeping to the greatest extent possible. This Directive requires the FTC to make several transitions in its records management processes, including managing both permanent and temporary email records in an accessible electronic format by December 31, 2016.

The FTC already has begun efforts to fully comply with the OMB directive and other legal requirements regarding electronic recordkeeping. The transition to digital records management will require the FTC's continued focus in FY 2015.

Agency Progress in Addressing the Challenge

As noted above, the National Archives and Records Administration (NARA) approved a new comprehensive records retention schedule for the FTC in 2012. This new records retention schedule is media neutral and thus gives the FTC the legal authority to maintain its federal records in electronic format. The transition to maintaining agency records in electronic format is well underway. FTC staff currently store and access electronic information in shared network drives, following the FTC's Shared Network Space policy that was established in 2006. This policy establishes a high-level folder structure and enhances the ability to control access privileges to information. In 2013, FTC's Records and Filings Office (RFO) issued guidance to agency staff that federal records – including email records – can be stored on shared drives as part of the matter file. Use of shared drives to store records is consistent with the agency's business process and with NARA Bulletin 2012-02 (December 6, 2011), on "Guidance on Managing Content on Shared Drives."

As part of the transition to maintaining agency records in electronic format, the FTC continues to use our Electronic Recordkeeping Certification Review (ERCR) process to evaluate recordkeeping requirements for existing and new systems. RFO has certified two systems to house permanent electronic records – the Matter Management System 2 and the E-Filing system – for public filings in FTC administrative litigation. In FY 2015, RFO is enhancing the E-Filing system to include electronic service of filings by the parties and an electronic docket of public filings that will be accessible by the parties, as well as expanding the system to include non-public filings. These enhancements will make the FTC administrative litigation process and its official records virtually fully electronic.

FTC plans to utilize an Enterprise Content Management System (ECMS) to maintain agency records in electronic format for the required retention period and to transfer permanent agency records to NARA. RFO is working with agency stakeholders to develop information governance for FTC records. This includes taxonomy, common vocabulary, access controls, and retention triggers. FTC plans to incorporate the management of email records in the ECMS. In FY 2015, the agency will develop its strategic plan for transition to an ECMS, as part of FTC's overall IT modernization strategy.

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