

UNITED STATES OF AMERICA Federal Trade Commission

WASHINGTON, D.C. 20580

Opening Statement of Commissioner Alvaro M. Bedoya¹ As Prepared for Delivery

Hearing on Fiscal Year 2024 Federal Trade Commission Budget

Before the Committee on Energy and Commerce Subcommittee on Innovation, Data, & Commerce United States House of Representatives

April 18, 2023

Chair Rodgers, Ranking Member Pallone, Chairman Bilirakis, Ranking Member Schakowsky, and members of the Subcommittee, good morning. I'm grateful for the chance to appear before you today, particularly alongside my colleagues. I also want to echo Chair Khan and Commissioner Slaughter's gratitude to Commission staff. The work you will hear about today—that's staff's work, career staff who are working overtime, despite serious resource constraints, to protect the American public.

I would like to focus on one priority that is front of mind for most parents in this country, and that's the teen mental health crisis, particularly the role of social media in that crisis. This is a bipartisan priority for this Subcommittee, you are leading key efforts to address it, and so I want to share what we are doing about it.

The first thing we're doing is digging deep into the <u>research</u> on the effects of social media on teen mental health. Last week, staff and I met with the top experts at the National Institutes of Health. I've also met with the top psychologists studying this issue, as well as experts at the

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¹ The views expressed in these remarks are my own and do not necessarily reflect the views of the Federal Trade Commission or any other commissioner.

American Psychological Association, the American Academy of Pediatrics, and the National Academies of Science. Here's what I've learned: There is evidence that some uses of social media do in fact hurt certain groups of children and teenagers. There are important nuances here, and more targeted research is needed. But this is not a moral panic. There is a "there" there.

The second thing we are doing is building our <u>expert capacity</u> on this issue. One of the many reasons I was proud to support the comprehensive privacy bill put forward by the members of this Subcommittee is because you direct the Commission to hire <u>psychologists</u> to study precisely this issue.

I want to get that done *now*. And so, I am pleased to share that it's now part of the Commission's strategic plan to explore hiring psychologists on staff, and we are actively working on doing that. I have also started conversations with regulators in the United Kingdom, the Netherlands, and elsewhere to understand how they are enforcing their own laws in this area, and how they use psychologists in their own work.

Third, we are <u>bringing cases</u> against companies we allege are exacerbating this crisis.

Research has shown that one of the drivers of mental health issues among teens online is the harassment and verbal abuse they experience. Chair Khan mentioned the Commission's landmark case against the makers of Fortnite. We alleged that Fortnite preset its privacy settings in a way that allowed adults to harass children and teens. Our action shut that down and sent a message to all companies that this is not okay.

If the members of this Committee are able to pass a comprehensive privacy bill, which includes additional protections for kids and teens, that will strengthen our hand and we will use every bit of that authority. In the meantime, I personally believe that we have substantial legal

authority to sue companies who are designing their products in a way that harms kids' and teens' mental health.

Until that day, I want to say unequivocally to any company that makes money by tracking where people go to the doctor, where they go for counseling, the medicine they take, or, for that matter, where they worship or where they go for addiction treatment—the Commission is watching and has brought several recent actions against companies that we alleged broke the law making money off of this sensitive data.

That is most of what I wanted to share. I will end on another note.

Most people don't know this, but my wife is from Louisiana, and we spend a lot of time in rural Louisiana with family. And so, one thing I have tried to prioritize as a commissioner is getting out of the Beltway to visit with small business leaders in rural America. In the last year I have met with grocers in South Dakota and Utah, pharmacists in West Virginia, and corn growers and cattlemen in Iowa. I am profoundly worried about what is happening to grocery, pharmacy, and agriculture in small-town America, and I am trying to do everything I can to understand and to help. That is why I was proud to support our study into pharmacy benefit managers, our recent action against pesticides manufacturers, and our recent right to repair cases. And that is why I feel strongly that we should reinitiate enforcement of laws intended to provide a level playing field for small-town retailers.

Thank you for the opportunity to appear before you today. I'm looking forward to your questions on these or any other subjects.
