



Office of the Chair

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**Remarks by Chair Lina M. Khan
As Prepared for Delivery
American Economic Liberties Project Anti-Monopoly Summit**

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Thanks so much, Nidhi. It's great to be here with you all.

I want to start by thanking the American Economic Liberties Project (AELP) for inviting me to kick things off this morning and for putting together such a fantastic lineup for this summit.

AELP has been at the forefront of rigorously documenting monopoly problems across our economy—and giving policymakers the tools and knowledge they need to fix them.

Thank you to the sponsors and partners who have helped make this event possible today. Your advocacy and support are an essential part of this movement.

And thanks to all of you here today for all you have done and continue to do. Together, we can reinvigorate our antimonopoly laws and ensure our markets are open, fair, honest, and competitive.

The wide range of people in this room today—farmers and pharmacists, law enforcers and labor leaders, legislators from the state senate to the United States Senate—highlights how the problem of consolidated corporate power cuts across so many parts of our economy and society today.

This remarkable breadth also shows *why* this movement has been so successful, against such difficult odds. Together, we have gone up against some of the most powerful corporations in the country—companies with nearly infinite resources—and walked away with concrete policy wins for the American people.

In the last year alone:

- The Antitrust Division at the Department of Justice has brought landmark cases across industries, from airlines to ad tech to meat processing.
- The Consumer Financial Protection Bureau—led by Director Rohit Chopra, who you'll hear from next—is fighting to cap credit card late fees at just \$8, saving consumers \$10 billion a year.

- The team at the National Labor Relations Board is cracking down on labor rights violations, like workplace surveillance, and securing remedies for workers whose rights are violated, including back pay.
- The Department of Transportation is now requiring airlines to give passengers *automatic* refunds when flights are canceled or badly delayed, so that people don't have to gear up for battle just to get their money back.
- The Department of Labor made 4 million more workers eligible for well-deserved overtime pay.
- The Department of Health and Human Services set minimum staffing requirements in nursing homes, so that private equity firms can't buy them up and gut the staff to make a quick buck and endanger people's safety.
- The US Trade Representative is putting American workers and producers first, pushing back against the "race to the bottom" approach that has lowered standards and wages, and moved jobs overseas.
- The Surface Transportation Board is ensuring businesses are not captive to rail carriers with poor service, making it easier for them to switch to a more consistent and reliable rail carrier if service slips below certain minimum standards.
- The IRS piloted free tax filing software, so that Americans don't have to pay hundreds of dollars or turn over their data to private corporations just to file their taxes.
- In Congress, Senator Elizabeth Warren been a vigorous champion for consumers, workers, and honest businesses, pushing regulators to use *all* of their tools to protect Americans from corporate coercion and abuse.
- Senator Chris Murphy has been a sharp observer of how unchecked monopoly power hollows out communities, contributing to people feeling socially isolated and a lack of autonomy.
- And state legislators across the country are championing bold legislation to take on junk fees, non-compete clauses, unfair repair restrictions, and more.

When we talk about the harms of concentrated corporate power, these are the things we usually mean. Higher prices for goods and services, and lower wages to pay for them. Less innovation and less opportunity. Markets that are less resilient. A democracy that is less robust.

But there's another harm we don't talk about often enough, one that is just as pervasive as the rest: *fear*.

I first noticed this when I was a business reporter interviewing chicken farmers in rural Alabama. They were afraid to tell me honestly how the industry really worked.

Poultry farming, it turns out, looks kind of like an hourglass. On one end, there are thousands of farmers raising birds. On the other end, there are millions of consumers buying meat at the grocery store. And in the middle, there are a small handful of poultry processing firms.

Many farmers only have one local firm they can sell to. Two if they're lucky. This gross imbalance of power allows the firms to micromanage every detail of their businesses, from the chicks they raise, to the facilities they build, to the amount of debt they take on. The firms, not

the farmers, dictate the process and the pay—even though it’s the farmers that raise the birds and take on all the risk that comes with it.

If a farmer doesn’t agree with some of those details, too bad. There’s often nowhere else to go. What’s more, many firms threaten to retaliate against anyone who dares to speak out, and they have the power to sink a farmer’s livelihood overnight. So many farmers stay home—and stay silent.

This kind of fear runs rampant across the American economy today. Fear stifles free speech and undermines economic liberty.

We see it everywhere. Some small business owners live in constant terror that Amazon will punish them and demote their products. Others are afraid that their business listings will disappear from Google search results altogether.

Meanwhile, non-compete clauses hold millions of workers captive in fear. These workers are locked into bad jobs and blocked from taking better ones.

Let me tell you about a young woman who reached out about this to the FTC. She was a bartender, making \$10 an hour. On her first day on the job, she was tricked into signing a non-compete, slipped into a stack of onboarding paperwork.

She soon realized this was not a good place to work. She was being sexually harassed and emotionally abused, so she decided to look for another job. It took her a year to find one, and when she finally did, her employer threatened to enforce a non-compete she didn’t even know existed.

She was terrified to go into work every day, and terrified of what would happen if she didn’t. Eventually she chose to resign and take a job with the other restaurant, thinking there was no way a non-compete could actually be enforced for an entry-level employee making close to minimum wage. But her old employer followed through and hit her with a \$30,000 lawsuit.¹

Tolerate sexual harassment, or face financial ruin? These are choices that no one should ever have to make.

This fear is anathema to freedom. An economy where workers or businesspeople live in terror is neither fair nor free.

Yet dominant businesses and gatekeepers can use fear to coerce and control. Everyone is vulnerable to it, from farmers, pharmacists, and doctors to start-up founders and senior executives at sizable firms.

I know there are many business leaders here today who are speaking up against monopoly power, despite the real threat of retaliation. I want to thank you for your courage.

¹ Comment submitted by Deborah Brantley, Non-Compete Clause Rule, *Regulations.gov* (Mar. 13, 2023), <https://www.regulations.gov/comment/FTC-2023-0007-8852>.

By fighting against corporate consolidation, you are continuing a longstanding American tradition, dating all the way back to the very beginning of our country. America was born out of a protest against monopoly and a rejection of the special privileges and arbitrary power that monarchy represents.

Our founding fathers recognized almost 250 years ago what a growing number of people are once again recognizing today: that if you live in fear of unchecked power, you can never be truly free.

President Biden has made taking on corporate power a core pillar of his economic agenda because he understands that when corporations have unchecked power, they can bully and coerce people with impunity, and people feel powerless and less free.²

That's true for people I have met across the country.

I've heard from rideshare drivers from California, Minnesota, and Massachusetts about how ridesharing apps use opaque algorithms to gamify their wages and arbitrarily cut them off.

I went to Philadelphia and heard from community pharmacists about how prescription drug middlemen use coercive contracts and punishing fees to hurt their businesses and their patients.

I went to Iowa and heard from farmers about how their ability to make a decent living is, all too often, subject to the whims of fertilizer giants.

I went on *The Daily Show* and even Jon Stewart shared how his former employer, Apple, used its power to censor and police his speech.

Across the country and across the economy, corporate gatekeepers siphon away people's hard-earned money, exploit their personal data, and waste their precious time—all while consolidating more power and profits.

A few weeks ago, the FTC publicly shared the findings of its investigation into Exxon's acquisition of the oil company Pioneer. We found evidence that Scott Sheffield, the former CEO of Pioneer, tried to collude with some of America's biggest geopolitical rivals to pad his profits.³

² Lina M. Khan, Chair, Fed. Trade Comm'n, Remarks at the Economic Club of New York (July 24, 2023) (transcript available at https://www.ftc.gov/system/files/ftc_gov/pdf/remarks-khan-economic-club-new-york.pdf) (“By signing his Executive Order on Promoting Competition, the President put fair, open, and competitive markets back at the center of our economic policy. 11F 12 The Executive Order reflects the best of America's longstanding antimonopoly tradition, renewed and updated for a modern economy. It builds on new economic learning, revising the overly simplistic theories of markets that had underpinned our prior approach. And it recognizes that questions of market structure and competition determine not just the price and quantity of goods, but also the trajectory of innovation, the shape of economic opportunity, the resiliency of our markets, and the strength of our democracy.”).

³ Press Release, Fed. Trade Comm'n, FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal (May 2, 2024), <https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal>; see also, Statement of Chair Lina M. Khan in the Matter of Exxon Mobil Corporation (May 2, 2024), <https://www.ftc.gov/legal-library/browse/cases-proceedings/public-statements/statement-chair-lina-m-khan-matter-exxon-mobil-corporation>.

It's alarming that one executive's shady WhatsApp messages could lead to Americans paying more at the gas pump. But it's true.

The FTC is on the front lines of fighting back against unlawful corporate coercion and consolidation.

One of my core priorities as Chair has been to open the agency's doors to hear directly from Americans about how corporate power affects their daily lives. It's something we prioritize across our work, and especially in the rulemaking process.

That's how the bartender got in touch with us about her non-compete. Her comment was just one of the 26,000 we received on our proposed rule.

Thousands of Americans, from across the country and across walks of life, wrote to the Commission about how non-competes had forced them to uproot their families, forgo better opportunities, or face financial ruin. Hundreds of healthcare workers told us how non-competes forced them to leave their communities and abandon their patients, sometimes depriving rural areas of critical care. Aspiring entrepreneurs told us how non-competes blocked them from jumping into the market, depriving customers of a better product at a better price. Scientists told us how non-competes had even delayed life-saving discoveries.

Non-competes have also kept workers from exercising their core rights, underscoring how robbing people of their economic liberty also robs them of all sorts of other freedoms—chilling their speech, infringing on their religious practice, and impeding their right to organize. Following extensive public input and a close review of the empirical evidence, last month the FTC finalized a rule to ban non-compete clauses.⁴

We estimate that this rule will raise wages by hundreds of dollars a year on average.⁵ It will also unlock innovation and business dynamism, creating thousands of new businesses.⁶ More fundamentally, the rule will restore a core economic liberty to millions of Americans.

The FTC's work gives people more breathing room. And in some cases, we are literally helping them breathe.

Nearly 40 million Americans use inhalers, and it can cost them hundreds and hundreds of dollars every month—even though inhalers have been on the market for decades and cost dramatically less overseas.⁷

⁴ Press Release, Fed. Trade Comm'n, *FTC Announces Rule Banning Noncompetes* (Apr. 23, 2024),

<https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-rule-banning-noncompetes>.

⁵ See Legal Library, Fed. Trade Comm'n, *Noncompete Rule* (last visited May 21, 2024), <https://www.ftc.gov/legal-library/browse/rules/noncompete-rule>; Fact Sheet, *Non-Compete Clause Rule* (last visited May 21, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/Non-Compete-Fact-Sheet.pdf.

⁶ *Id.*

⁷ See Press Release, Sen. Bernie Sanders, *Chairman Sanders, Baldwin, Luján, Markey Launch HELP Committee Investigation into Efforts by Pharmaceutical Companies to Manipulate the Price of Asthma Inhalers* (Jan. 8, 2024), <https://www.sanders.senate.gov/press-releases/news-chairman-sanders-baldwin-lujan-markey-launch-help-committee-investigation-into-efforts-by-pharmaceutical-companies-to-manipulate-the-price-of-asthma-inhalers/>.

How can a product that costs \$7 in Paris, France cost almost \$500 in Paris, Texas?

When our team dug into this question, we found reason to believe that powerful pharmaceutical companies were filing junk patent listings on inhalers and other medications to block competition and keep prices high.

It's disturbing that pharma companies have gotten away with abusing patent listings for so long—forcing Americans with asthma to dramatically over-pay and live in fear of what would happen if, one month, money ran short.

So in November of last year, we partnered up with the FDA to challenge these listings.⁸ Leaders in Congress shared our concern and opened an investigation into why these essential devices have remained out of reach for millions.

Since then, several companies took down their junk listings. Now three of the four major manufacturers are slashing costs so that the maximum amount any American will have to pay for an asthma inhaler is just 35 dollars.

And we won't stop there.

We're fighting hard to stop monopolists from using coercive tactics to crush competition. We're protecting Americans from hidden junk fees that cheat them out of tens of billions of dollars a year. We're holding individual executives accountable when they break or conspire to break the law. And we're blocking mergers that would raise prices, depress wages, and kill innovation.

We're showing the American people what it looks like to have a government that's not afraid to fight for them.

This is the vision that animates our work at the FTC: an economy where consumers can exercise real choice, without fear of getting ripped off or misled; where entrepreneurs and small businesses can compete on the merits of their skills and ideas, without fear of upsetting one of the existing giants; and where workers have the freedom to switch jobs, bargain for a better deal, and exercise basic rights, without fear of ruin or retaliation.

In short, we are fighting for an economy where people enjoy the opportunity and liberty that free, fair, and honest competition provides.

⁸ Press Release, Fed. Trade Comm'n, FTC Challenges More Than 100 Patents as Improperly Listed in the FDA's Orange Book (Nov. 7, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/11/ftc-challenges-more-100-patents-improperly-listed-fdas-orange-book>; *see also*, Press Release, Fed. Trade Comm'n, FTC Issues Policy Statement on Brand Pharmaceutical (Sept. 14, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-issues-policy-statement-brand-pharmaceutical-manufacturers-improper-listing-patents-food-drug>.

For years, AELP and its allies have researched and advocated for policy that reinvigorates America's longstanding antimonopoly tradition. Now, these ideas aren't just being debated online or by TV pundits. They are actively driving law and policy.

Today, you'll hear from fearless leaders who have been at the forefront of that fight, securing incredible wins for the American people and laying a strong foundation that we can all build on in the future.

We all come from different arenas—enforcers, advocates, lawmakers, and academics—but this summit is a reminder of how effective we can be when we all come together.

Thank you so much for your time—and your courage.
