



Office of the Chair

UNITED STATES OF AMERICA  
Federal Trade Commission  
WASHINGTON, D.C. 20580

## **Remarks by Chair Lina M. Khan Strike Force on Unfair and Illegal Pricing Public Convening**

**August 1, 2024**

Good afternoon. It's great to be here today to kick off the first public meeting of the Strike Force on Unfair and Illegal Pricing.

This Strike Force was launched by President Biden back in March to make sure that no American pays inflated prices due to corporate lawbreaking or exploitative tactics.<sup>1</sup>

The FTC is honored to co-chair the Strike Force alongside the Department of Justice, and I'm glad we have the chance to gather with our partners across government today to discuss our efforts to bring down the prices that Americans are paying for everyday goods and services.

The Biden-Harris Administration has already made so much progress: slashing credit card fees,<sup>2</sup> capping the cost of insulin,<sup>3</sup> making it easier and cheaper to get hearing aids,<sup>4</sup> and more. In a bit, we'll hear about the action the Department of Transportation took just this morning, to make air travel more affordable.<sup>5</sup>

Together, we've saved billions of dollars for millions of Americans. But there is still more work we can do.

Often, we get taught that the prices people pay are just a reflection of supply and demand. But sometimes businesses can use their power to unfairly inflate prices—just because they can.

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<sup>1</sup> Press Release, The White House, President Biden Announces New Actions to Lower Costs for Americans by Fighting Corporate Rip-Offs (Mar. 5, 2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/03/05/fact-sheet-president-biden-announces-new-actions-to-lower-costs-for-americans-by-fighting-corporate-rip-offs/>.

<sup>2</sup> Press Release, Consumer Fin. Prot. Bur., CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from \$32 to \$8 (Mar. 5, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-excessive-credit-card-late-fees-lowers-typical-fee-from-32-to-8/>.

<sup>3</sup> Press Release, The White House, President Biden's Cap on the Cost of Insulin Could Benefit Millions of Americans in All 50 States (Mar. 2, 2023), <https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/02/fact-sheet-president-bidens-cap-on-the-cost-of-insulin-could-benefit-millions-of-americans-in-all-50-states/>.

<sup>4</sup> Press Release, The White House, Cheaper Hearing Aids Now in Stores Thanks to Biden-Harris Administration Competition Agenda (Oct. 17, 2022), <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/17/fact-sheet-cheaper-hearing-aids-now-in-stores-thanks-to-biden-harris-administration-competition-agenda/>.

<sup>5</sup> Press Release, Dept. of Transp., Biden-Harris Administration Proposes Ban on Family Seating Junk Fees Charged by Airlines (Aug. 1, 2024), <https://www.transportation.gov/briefing-room/biden-harris-administration-proposes-ban-family-seating-junk-fees-charged-airlines>.

This can happen when firms are not disciplined by competition, so that when they hike prices their customers have nowhere else to go. It can happen when firms secretly collude to raise prices in tandem. And it can happen when firms use bait-and-switch tactics to mislead people about what the real price will be.

The FTC has been laser focused on ensuring that no American faces inflated prices due to illegal business practices.

In May, an FTC investigation uncovered evidence of an oil executive attempting to collude with some of America’s biggest geopolitical rivals to produce less oil—potentially raising the price of gas.<sup>6</sup> We’ve proposed to ban him from the board. If executives pad their profits at the expense of everyday Americans, we won’t hesitate to act.

In June, following FTC action, several big pharma companies reduced the cost of many asthma inhalers, down from hundreds of dollars to just \$35 out-of-pocket.<sup>7</sup> This came after the FTC challenged more than 100 patent listings we believed these companies had improperly listed—unfairly blocking generic competitors from coming to market and lowering the price.<sup>8</sup> This work is already making a difference and saving hundreds of dollars a month for the millions of Americans who rely on inhalers to breathe.

We’re currently working toward finalizing our “click to cancel” rule. Too often, businesses require people to jump through endless hoops just to cancel a subscription. Customers end up paying dozens if not hundreds of dollars a month in subscriptions they want to escape. Our proposed rule would require that companies make it as easy to cancel a subscription as it is to sign up for one—ending this tax on people’s time and money.<sup>9</sup>

While talking with people across the country about the biggest economic challenges they face, one of the top concerns I consistently hear about is high grocery prices. Every week, people stock up on the food they need to feed their families. And too often, people feel like too much of their paycheck is going towards covering these basics—be it meat or bread or eggs.

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<sup>6</sup> 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/system/files/ftc\\_gov/pdf/2410004exxonpioneerlmkstm1\\_0.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerlmkstm1_0.pdf).

<sup>7</sup> *See* Annika Kim Constantino & Ashley Capoot, *Healthy Returns: Drugmakers Are Capping Inhaler Prices At \$35 In A Win For Some Patients*, CNBC (Mar. 26, 2024), <https://www.cnbc.com/2024/03/26/healthy-returns-drugmakers-are-capping-inhaler-prices-at-35.html>.

<sup>8</sup> 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>.

<sup>9</sup> Press Release, Fed. Trade Comm’n, *Federal Trade Commission Proposes Rule Provision Making It Easier for Consumers to “Click to Cancel” Recurring Subscriptions and Memberships* (Mar. 23, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/03/federal-trade-commission-proposes-rule-provision-making-it-easier-consumers-click-cancel-recurring>.

Thanks to the efforts of this team and this administration, inflation for grocery items has averaged zero so far this year.<sup>10</sup> Many of the items people buy most often—things like cereal, pasta, and potatoes—cost less now than they did last year.<sup>11</sup>

Still, it isn't clear that Americans are fully getting the competitive, affordable prices they deserve.

Grocery prices skyrocketed during the pandemic, due in large part to higher costs and supply chain disruptions. We also know that, in the years since, costs have fallen and supply chains have improved.

But many items are still too costly, and many large grocery chains are still raking in enormous profits. The FTC is determined to understand why.

To make sure we can do so, I will be asking the Commission to join me in launching an inquiry into grocery prices, to shed light on why it is that prices and profits remain high even as costs appear to have come down. We want to make sure that major businesses are not exploiting their power to inflate prices for American families at the grocery store.

We'll continue using all our tools to expose and crack down on any underhanded tactics that companies may be using to raise prices on the basic things Americans need the most. We must use the full extent of our authorities to stop any corporate law-breaking that inflates costs for American families.

This is essential work that will help ensure that Americans can keep more of their paycheck. It's also about making sure that people can be free from economic coercion and indignities in the marketplace. I'm grateful for all of the good work that our partners across government are doing day after day and look forward to our continued collaboration.

Now, I'd like to turn the floor over to our fellow co-chairs at the Department of Justice, who have been steadfast partners in the Strike Force, and in working to keep prices fair and affordable for Americans everywhere. To kick things off for the Department of Justice, we have Acting Associate Attorney General Ben Mizer. ASG Mizer, over to you.

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<sup>10</sup> Blog, *Inflation Cools in 2024Q2*, THE WHITE HOUSE (July 11, 2024), <https://www.whitehouse.gov/cea/written-materials/2024/07/11/inflation-cools-in-2024q2/>.

<sup>11</sup> BUREAU OF LAB. STATS., CONSUMER PRICE INDEX – JUNE 2024 (2024), <https://www.bls.gov/news.release/pdf/cpi.pdf>.