

ONE HUNDRED TWELFTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
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**Opening Statement of Rep. Henry A. Waxman**  
**Ranking Member, Committee on Energy and Commerce**  
**Hearing on “H.R. \_\_, a bill to renew the Federal Trade Commission’s authority**  
**to combat cross-border spam, spyware and fraud**  
**through reauthorization of the U.S. SAFE WEB Act of 2006”**  
**Subcommittee on Commerce, Manufacturing, and Trade**  
**July 12, 2012**

Thank you, Chairman Bono Mack, for holding this hearing on legislation to reauthorize the U.S. SAFE WEB Act of 2006.

The U.S. SAFE WEB Act granted the Federal Trade Commission new authorities to combat unfair or deceptive acts or practices that are international in scope, but harm consumers in the United States.

The Act has worked well, but it sunsets on December 22, 2013 – so if we don’t renew it, this critical authority and related investigative tools will disappear, and the FTC’s ability to fight international frauds will be impeded.

The world is becoming more and more connected. This connectedness has created great opportunities for commerce and economic growth. But the spread of telecommunications infrastructure and growing access to telephones and the Internet have also created opportunities for schemers and scammers operating in other nations to try to defraud U.S. consumers.

Because of this, fighting consumer fraud requires that the FTC be able to work closely with foreign consumer protection agencies so that we can all protect our citizens from these schemes. The U.S. SAFE WEB Act granted the FTC the tools it needed to do that.

As today’s witness from the FTC, Mr. Stevenson, points out in his testimony, more than 100 of the agency’s investigations since 2007 have involved an international component, such as foreign targets, foreign evidence, or foreign assets. And since that time, the FTC has also filed more than 50 cases with an international component.

In addition, due to the authorities provided through the U.S. SAFE WEB Act, the FTC has collected more than \$10 million in restitution and has prevented U.S. consumers from losing hundreds of millions of dollars to fraudulent schemes.

We need to reauthorize the U.S. SAFE WEB Act to maintain these authorities.

One issue I believe needs to be explored today is the length of the reauthorization and whether there should be any time limit at all.

The bill we are considering today provides another 7-year reauthorization – through September 30, 2020. The FTC recommends that there should be no sunset. All five of the FTC Commissioners wrote me, Ranking Member Butterfield, Chairman Bono Mack, and Chairman Upton last October urging that the sunset clause in the Act be repealed. That would make the authority and investigative tools permanent. In 2009, in a report to Congress required by the Act, all members then serving on the Commission also backed a full repeal of the sunset clause.

I hope we can have a thoughtful and complete discussion about why a changing and bipartisan membership of the Commission has urged complete repeal and the advantages and disadvantages to revisiting this authority again in another seven years or some other set timeframe.

Madam Chair, I stand ready to work with you to make sure the FTC continues to have the authority and investigative tools it needs to effectively protect U.S. consumers from fraud, whether homegrown or from abroad.