

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Lina M. Khan, Chair,
Noah Joshua Phillips
Rebecca Kelly Slaughter
Christine S. Wilson
Alvaro M. Bedoya**

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In the Matter of)	
)	
Meta Platforms, Inc.,)	
 a corporation,)	
)	Docket No. 9411
Mark Zuckerberg,)	
 a natural person,)	PUBLIC
)	
and)	
)	
Within Unlimited, Inc.,)	
 a corporation.)	
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RESPONDENT’S MOTION TO STAY THIS ADMINISTRATIVE PROCEEDING

Respondent Meta Platforms, Inc. (“Meta”) hereby respectfully moves to stay all administrative proceedings pursuant to 16 C.F.R. §§ 3.22(a), 3.21(c)(1), and 3.41(f)(1)(i), until after a ruling on the Federal Trade Commission’s complaint seeking a preliminary injunction in the United States District Court for the Northern District of California in *FTC v. Meta Platforms, Inc.*, No. 5:22-cv-04325-EJD.

The FTC filed its complaint for a preliminary injunction in the Northern District of California on July 29, 2022,¹ and its administrative complaint on August 11, 2022. *See* Complaint,

¹ Complaint, *FTC v. Meta Platforms, Inc.*, No. 5:22-cv-04325-EJD (N.D. Cal. July 27, 2022), ECF No. 1; Leah Nylen, *FTC’s Khan Overruled Staff to Sue Meta Over VR Deal*, Bloomberg (July 29,

In re Meta Platforms, Inc., Mark Zuckerberg, and Within Unlimited Inc., Docket No. 9411 (F.T.C. Aug. 11, 2022), DE 1 (“Compl.”).² The preliminary injunction hearing is set for December 8, 2022. But the evidentiary hearing in the administrative proceeding is scheduled to begin on January 19, 2023. Thus, while the preliminary injunction proceeding in court and the administrative proceeding before the Commission are currently scheduled to occur in parallel, the court will likely rule on the preliminary injunction before the administrative proceeding is resolved.

In these situations—when a pending “collateral federal court action [] relates to [an] administrative adjudication”—FTC Rule 3.41(f)(1) authorizes the Commission to stay the administrative proceeding for good cause. *See also* 16 C.F.R. § 3.21(c)(1) (authorizing the Commission to “upon a showing of good cause[] order a later date for the evidentiary hearing than the one specified in the complaint”). Because “the public interest is not ideally served if litigants and third parties bear expenditures that later prove unnecessary,” *In re Sanford Health*, Docket No. 9376, 2017 WL 5845596 (F.T.C. Nov. 21, 2017), the Commission has repeatedly found good cause to delay evidentiary hearings because a forthcoming district court decision was likely to “obviate the need for [the] administrative hearing.” *In re RAG-Stiftung*, Docket No. 9384, 2020 WL 91294, at *2 (F.T.C. Jan. 2, 2020); *see also In re Hackensack Meridian Health, Inc.*, Docket No. 9399, 2021 WL 2379546, at *1 (F.T.C. May 25, 2021) (granting continuance of administrative proceeding because parties agreed it was “highly likely that [the preliminary injunction] ruling will cause these administrative proceedings to be suspended or rendered moot”) (alteration in original);

2022), <https://www.bloomberg.com/news/articles/2022-07-29/ftc-s-khan-overruled-staff-to-sue-meta-over-virtual-reality-deal> (accessed August 23, 2022), attached hereto as Obaro Decl. Ex. A.

² The FTC served the nonpublic Complaint on Meta’s outside counsel on August 12, 2022.

In re Thomas Jefferson Univ., Docket No. 9392, 2020 WL 7237952 (F.T.C. Nov. 6, 2020) (similar).

There is good cause to stay this administrative proceeding because the district court's ruling on the preliminary injunction will likely obviate the need for the proceeding here. Meta has publicly stated that, if the court grants the FTC's motion for a preliminary injunction, the transaction will likely be unable to close by the contractual deadline of April 22, 2023. *See* Joint Stipulated Case Management Order at 1-2, *FTC v. Meta Platforms, Inc.*, No. 5:22-cv-04325-EJD (N.D. Cal. Aug. 12, 2022), ECF No. 69. And if the court denies the FTC's motion for a preliminary injunction, decades of FTC practice indicate it will not pursue this proceeding further. *See* Maureen K. Ohlhausen, Comm'r, Fed. Trade Comm'n, Remarks to U.S. Chamber of Commerce: A SMARTER Section 5, at 17 (Sept. 25, 2015), https://www.ftc.gov/system/files/documents/public_statements/804511/150925smartersection5.pdf (Commissioner Ohlhausen: "the Commission has not pursued a Part III proceeding following a PI loss in federal court for twenty years"), attached hereto as Obaro Decl. Ex. B. The outcome of the preliminary injunction proceeding is therefore likely to determine whether the transaction may proceed. Accordingly, the significant expenditures both parties (as well as third parties) would incur in this proceeding will likely "prove unnecessary" regardless of the result in the district court. *Sanford Health*, 2017 WL 5845596, at *1. This constitutes good cause to stay the proceeding.

To be sure, Rule 3.41(f) contemplates administrative proceedings occurring at the same time as federal court proceedings given the "Commission's commitment to move forward as expeditiously as possible with its administrative hearings." *Hackensack Meridian*, 2021 WL 2379546, at *1. But expedition serves no purpose when the proceeding is unlikely to result in a final decision on the merits—in that scenario, accelerated proceedings only compound the

inefficiencies for everyone involved. Rule 3.41(f) includes a “good cause” exception to ensure the Commission has the flexibility to issue stays where, as here, doing so avoids unnecessarily burdening not only Meta, but the Commission and third parties, which will expend unnecessary resources.

In addition, there is good cause for a stay because Meta has objected to Chair Khan’s participation in these proceedings as a violation of Meta’s due process rights based on her apparent bias against Meta and her prejudgment of the material issues in the case. *See Cinderella Career & Finishing Schs., Inc. v. FTC*, 425 F.2d 583, 591 (D.C. Cir. 1970). Chair Khan’s participation thus undermines the legitimacy of these proceedings. *See Williams v. Pennsylvania*, 579 U.S. 1, 16 (2016) (“[T]he appearance and reality of impartial justice are necessary to the public legitimacy of judicial pronouncements and thus to the rule of law itself.”). The agency should stay the administrative case—and avoid any ongoing due process violations—pending the district court’s disposition of the agency’s preliminary injunction complaint.

For the foregoing reasons, Meta respectfully moves to stay all administrative proceedings pursuant to 16 C.F.R. §§ 3.22(a), 3.21(c)(1), and 3.41(f)(1)(i), pending a ruling on the FTC’s preliminary injunction complaint in *FTC v. Meta Platforms, Inc.*, No. 5:22-cv-04325-EJD (N.D. Cal.).

Dated: August 26, 2022

Respectfully submitted,

/s/ Chantale Fiebig

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[Proposed] Order Granting Respondent’s Motion To Stay This Administrative Proceeding

The Commission has considered Meta Platforms, Inc.’s motion to stay the administrative proceeding pending a ruling on the Federal Trade Commission’s request for a preliminary injunction in the United States District Court for the Northern District of California in *FTC v. Meta Platforms, Inc.*, No. 5:22-cv-04325-EJD. Good cause having been shown, the motion is GRANTED. This administrative proceeding is stayed until after the district court rules on the Federal Trade Commission’s request for a preliminary injunction.

By the Commission.

Secretary

ISSUED: _____

CERTIFICATE OF SERVICE

I hereby certify that, on August 26, 2022, I caused the foregoing document to be electronically filed with the Secretary of the Commission using the Federal Trade Commission's e-filing system, causing the document to be served on all of the following registered participants:

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I also certify that I caused the foregoing document to be served via email to:

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Counsel for Respondent Within Unlimited, Inc.

CERTIFICATE FOR ELECTRONIC FILING

I certify that the electronic copy sent to the Secretary of the Commission is a true and correct copy of the original filing, and that I possess a paper original of the signed document that is available for review by the parties and the adjudicator.

/s/ Chantale Fiebig
Chantale Fiebig

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**DECLARATION OF BAMBO OBARO IN SUPPORT OF RESPONDENT’S MOTION
TO STAY THIS ADMINISTRATIVE PROCEEDING**

I, Bambo Obaro, hereby affirm under penalty of perjury, as follows:

1. I am a member of the Bar of the State of California and a partner of the law firm Weil, Gotshal & Manges LLP, counsel to Respondent Meta Platforms, Inc. (“Meta”). I am one of the counsel of record for Meta in the above-captioned matter.
2. I respectfully submit this declaration to provide certain documents that are referred to in Respondent’s Motion to Stay this Administrative Proceeding.
3. Attached as Exhibit A is a true and correct copy of Leah Nylen, *FTC’s Khan Overruled Staff to Sue Meta Over VR Deal*, Bloomberg (July 29, 2022),

<https://www.bloomberg.com/news/articles/2022-07-29/ftc-s-khan-overruled-staff-to-sue-meta-over-virtual-reality-deal> (accessed August 23, 2022).

4. Attached as Exhibit B is a true and correct copy of Maureen K. Ohlhausen, Comm'r, Fed. Trade Comm'n, Remarks to U.S. Chamber of Commerce: A SMARTER Section 5, at 17 (Sept. 25, 2015),

https://www.ftc.gov/system/files/documents/public_statements/804511/150925smartersection5.pdf.

Dated: August 26, 2022

Respectfully submitted,

/s/ Bambo Obaro

Bambo Obaro

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Counsel for Meta Platforms, Inc.

EXHIBIT A

Politics

FTC's Khan Overruled Staff to Sue Meta Over VR App Deal

- Commission voted 3-2 against Meta's pursuit of VR fitness app
- Staff had recommended against opposing acquisition of Within



Lina Khan *Photographer: Al Drago/Bloomberg*

By Leah Nylén

July 29, 2022 at 9:00 AM EDT *Updated on July 29, 2022 at 1:40 PM EDT*

Federal Trade Commission Chair Lina Khan led her fellow Democrats in the agency's majority vote to sue Meta Platforms Inc. this week, despite the staff recommending against bringing a case to challenge the company's acquisition of Within Unlimited Inc., according to three people with knowledge of the decision.

The move demonstrates Khan's new, more aggressive approach to antitrust enforcement compared with her predecessors -- as well as the challenges she faces in bringing the agency along with her.

Agency leadership has been reluctant in the past to counter a recommendation from staff lawyers and economists, whose job it is to provide a technical assessment of whether proposed deals are anticompetitive and whether the agency has the elements to build a winning case.

In public comments and writings, Khan has emphasized the need to rein in the biggest technology companies, particularly Facebook parent Meta, which she argues has used acquisitions as a form of "land grab" to conquer new markets and "neutralize competitive threats."

In a 2021 report, the FTC found that the five tech giants -- Alphabet Inc., Apple Inc., Amazon.com Inc., Microsoft Corp. and Meta -- acquired hundreds of smaller firms over the previous decade, often using loopholes in the law to avoid notifying antitrust regulators about the takeovers.

Despite the ratcheting up of regulatory scrutiny under the Biden administration, acquisitions by the five tech giants are on pace this year to match or exceed the annual totals under former president Donald Trump. In the first six months of 2022, the five announced plans to acquire 24 companies, exceeding the total for the first half for four of the five previous years, according to data compiled by Bloomberg.

While most of those transactions involved small private companies without the terms being disclosed, Microsoft's planned \$69 billion takeover this year of Activision Blizzard Inc. would be the company's largest ever and one of the 30 biggest deals of all time. The FTC is also reviewing that merger.

For more: Microsoft's Activision Deal Set to Test Biden's Antitrust Regime

In the lawsuit filed against Meta on Wednesday, the FTC alleged the deal would give the social networking company a leg up in dominating the burgeoning virtual reality market. The suit represents the first time the agency has preemptively challenged an acquisition by the social media giant, which has bought more than 100 smaller companies over the past decade, according to a 2020 House report.

The FTC has asked a federal court in California to bar Meta from closing the deal until after it has a chance to hear the suit challenging the merger. Meta said it would fight the complaint.

While critics are accusing Khan of overreach in seeking to block the deal, antitrust advocates have urged the agency to be more aggressive in stopping technology giants from acquiring startups that could eventually become rivals.

The FTC's five commissioners split 3-2 on whether to file the complaint, with the two Republicans, Noah Phillips and Christine Wilson, voting against the suit. Each of the commissioners had the

opportunity to test out Meta's Oculus product, Within's Supernatural and Meta's Beat Saber, two of the people said.



A Meta Oculus Quest 2 VR headset at a Meta Store in Burlingame, California. *Photographer: David Paul Morris/Bloomberg*

The FTC declined to comment.

The lawsuit follows the FTC's 2020 monopolization case against Meta seeking to unwind its acquisitions of Instagram in 2012 and WhatsApp in 2014, after failing to challenge them at the time. Phillips and Wilson also opposed that case, which could go to trial in 2024 in federal court in Washington. The FTC alleges the acquisitions were part of an illegal scheme to monopolize the market for social networking.

Meta has denied the allegations and is also contesting that case.

Alvaro Bedoya -- who joined the commission in May, giving Khan a Democratic majority -- had multiple meetings with FTC staff and Khan's office about the Within deal to address his concerns about overruling the staff recommendation, two of the people said. Bedoya, through an FTC spokesman, declined to comment on his deliberations.

Before Bedoya joined the commission, it was deadlocked 2-2, allowing the two Republicans to stymie several of Khan's more aggressive ideas to promote competitive markets.

For more: Path For Democrat-Led FTC Opens as Senate Advances Last Nominee

Meta announced last October its plan to acquire Within, the maker of the popular virtual reality fitness app Supernatural, for an undisclosed sum. The proposed deal followed Meta's purchase of six other virtual or augmented reality app makers over the past three years, none of which were challenged by the FTC.

Formerly known as Facebook, Meta rebranded itself last year in an effort to better focus on the metaverse -- a more immersive version of the internet, where people can populate an alternative virtual world to go shopping, go to work and see friends. The company is the world's top VR headset maker with its Oculus product controlling about 80% of the market, according to research firm IDC.

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Within's Supernatural offers immersive VR workouts complete with music and fitness instructors. In its complaint, the FTC alleged that Within's Supernatural app competes with Meta's own Beat Saber, a VR rhythm game where users hit targets in time to music. Meta also has the financial resources and expertise to easily add features to Beat Saber or develop a separate dedicated fitness app that could more directly compete with Supernatural, the FTC said.

"The FTC's case is based on ideology and speculation, not evidence," Meta lawyer Nikhil Shanbhag said in a [blog post](#) about the case. "We are confident this transaction does not reduce competition in any way, will bring countless benefits to people and VR developers, and should therefore be allowed to proceed."

During the nine-month inquiry, the FTC didn't take any sworn interviews of company executives, which it often uses to help build a case, two of the people said, speaking anonymously to discuss the confidential probe. But a few weeks before the Within deal was set to close on July 31, Khan's office sent the company additional questions and began drafting a legal challenge, the people said.

– *With assistance by Michael Hytha*

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EXHIBIT B



United States of America Federal Trade Commission

A SMARTER Section 5

**Remarks of Maureen K. Ohlhausen¹
Commissioner, Federal Trade Commission**

**U.S. Chamber of Commerce
Washington, D.C.**

September 25, 2015

I. Introduction

Good morning. Let me thank Sean Heather of the U.S. Chamber of Commerce (Chamber) for inviting me to speak today. I am honored to be back at the Chamber to discuss the Federal Trade Commission's (FTC) unfair methods of competition (UMC) authority under Section 5 of the FTC Act and my agency's recently issued policy statement.² As you may recall, the Chamber hosted in me in 2013 when I set out my views on Section 5 in a speech I called "Principles of Navigation."³ Since that time, there have been some developments that, in my view, amount to little real progress and include some serious missteps.

Now, it is certainly entertaining to view the UMC statement in terms of an academic debate among current and former Commissioners about its length, and breadth, and limitations,

¹ The views expressed in this speech are my own and do not necessarily reflect the views of the Federal Trade Commission or any other Commissioner. I am grateful to my attorney advisor, Greg Luib, for his invaluable assistance in preparing this speech.

² Fed. Trade Comm'n, Statement of Enforcement Principles Regarding "Unfair Methods of Competition" under Section 5 of the FTC Act (Aug. 13, 2015), *available at* https://www.ftc.gov/system/files/documents/public_statements/735201/150813section5enforcement.pdf.

³ Maureen K. Ohlhausen, Comm'r, Fed. Trade Comm'n, *Section 5: Principles of Navigation*, Remarks before the U.S. Chamber of Commerce (July 25, 2013), *available at* <http://ftc.gov/speeches/ohlhausen/130725section5speech.pdf>.

whether implicit or explicit. This misses what I believe is the crucial question about a policy statement that purports to be guidance to those subject to our standalone Section 5 oversight and enforcement. Do you—business interests and the members of the bar who advise you—believe the new policy statement provides what the courts have demanded: a “workable standard” “for what is or is not to be considered an unfair method of competition under § 5” or will this policy statement instead lead to “uncertain guesswork rather than workable rules of law.”⁴ This standard does not come from me but from the court that rejected the last litigated FTC standalone Section 5 challenge, the *Abbott Labs* case.

The reaction that I have seen from the bar and industry to the policy statement thus far suggests that the large majority of you do not perceive this as a workable standard that will, in practice, reduce uncertainty and guesswork. As I stated in my dissent from the statement, I also do not view this as meaningful guidance. What I want to make clear today is that this is not simply a weak stab at guidance and a missed opportunity for the Commission. Rather, the few principles the statement does clearly embrace amplify already existing concerns about the FTC’s role in antitrust enforcement that are animating legislation to change our antitrust oversight powers.

In my remarks this morning, I will review the statement and my objections, elaborating on some of the points I made in my dissent. I will next briefly revisit my arguments for why Section 5 largely should be limited to the antitrust laws and the factors I would have included in the statement. I will then turn to the SMARTER Act, recently proposed legislation aimed at standardizing merger review across the FTC and Department of Justice (DOJ). As I will explain,

⁴ *FTC v. Abbott Labs.*, 853 F. Supp. 526, 535-36 (D.D.C. 1994) (“The Second Circuit stated emphatically that some workable standard must exist for what is or is not to be considered an unfair method of competition under § 5. Otherwise, companies subject to FTC prosecution would be the victims of ‘uncertain guesswork rather than workable rules of law.’”) (quoting *E.I. du Pont de Nemours & Co. v. FTC*, 729 F.2d 128, 139 (2d Cir. 1984)).

I believe the open-ended Section 5 statement implicates the same core concerns driving the SMARTER Act, including undue leverage for the FTC and different liability standards across the two antitrust agencies.

II. My Objections to the Section 5 Policy Statement

As many of you know, I voted against issuing the policy statement and in my dissent explained my objections—both procedural and substantive—to the Commission’s stated views on the scope of Section 5. As I quickly run through my main objections, I will offer additional reactions that I and others have had since the statement issued.

As a preliminary matter, I agree that the statement will restrain the Commission from pursuing Section 5 to its broadest theoretical extent to reach conduct that is in bad faith, fraudulent, or oppressive without any possible relation to competition. With your indulgence, here I will revive the nautical analogy from my previous Section 5 speech to illustrate what the Commission actually did. It basically said it will not sail off the “competition chart” in interpreting UMC. This means it will not do this:



One should ask if the Commission was likely to pursue that course without a statement, however. Regardless of the few remarks by individual Commissioners in speeches and the urging of a handful of law professors to go beyond competition concerns, in actual practice the Commission has not relied solely on a non-competition rationale to support a UMC violation for

forty-some years. Thus, as practitioners have noted, the statement constrains very little, if anything, in this regard.⁵

Turning to my dissent, I took issue with the statement's lack of content. Unlike the detailed analysis in our policy statements on deception and unfairness on the consumer protection side,⁶ the UMC statement fails to mention, much less grapple with, the existing case law. Although the majority might like to sweep that unfortunate history under the rug, the fact is that the courts repeatedly rebuffed the FTC when it last tried to assert broad Section 5 authority, with the *Abbott Labs* case mentioned above being the fourth and final loss.⁷ Further, implicitly disregarding the *Abbott* court's suggested path, the UMC statement includes no examples of either lawful or unlawful conduct to provide practical guidance on how the Commission will implement its enforcement policy.

I want to address a few of the objections that I have heard to a more detailed policy statement. First, some have stated that it is hard to draft a comprehensive policy statement. Yes, that is most certainly true. However, the Commission was able to do that on the consumer protection side for its unfair acts or practices authority, which was quite a bit more controversial at the time.⁸ Second, the Chairwoman in her speech announcing the policy statement rejected

⁵ See, e.g., Kirkland & Ellis LLP, *FTC Issues Policy Statement on the Reach of Section 5 of FTC Act*, at 1 (Aug. 2015) ("For businesses concerned about the potential for an activist FTC to apply Section 5 in novel ways, this statement provides little comfort.").

⁶ See Fed. Trade Comm'n, Commission Statement of Policy on the Scope of the Consumer Unfairness Jurisdiction, 104 F.T.C. 1070, 1071 (1984) (appended to *In re Int'l Harvester Co.*, 104 F.T.C. 949 (1984)), available at <http://www.ftc.gov/bcp/policystmt/ad-unfair.htm>; Fed. Trade Comm'n, Policy Statement on Deception (appended to *In re Cliffdale Assocs., Inc.*, 103 F.T.C. 110, 174 (1984)), available at <http://www.ftc.gov/bcp/policystmt/ad-decept.htm>.

⁷ See *E.I. du Pont de Nemours & Co. v. FTC*, 729 F.2d 128, 139 (2d Cir. 1984); *Boise Cascade Corp. v. FTC*, 637 F.2d 573, 582 (9th Cir. 1980); *Official Airline Guides, Inc. v. FTC*, 630 F.2d 920, 927 (2d Cir. 1980).

⁸ See, e.g., J. Howard Beales, *Brightening the Lines: The Use of Policy Statements at the Federal Trade Commission*, 72 ANTITRUST L.J. 1057, 1065 (2005) (recounting Congressional backlash, including a shutdown of

the notion of issuing “a detailed and comprehensive code of legitimate business conduct.”⁹

However, that is a straw man—and not what agency stakeholders, including the Chamber, have sought from the Commission. Rather, you have asked for something more along the lines of the Unfairness and Deception Statements—in terms of both guidance and constraint on future agency discretion. After a hundred years, I think the agency’s many stakeholders, particularly the firms subject to our jurisdiction, deserved better than what they got here.¹⁰

In addition, I noted the lack of internal deliberation and external consultation surrounding this policy statement—as opposed to the topic of Section 5 more generally. In particular, the Commission’s lack of interest in any public input troubled me. Putting the statement out for public comment would have allowed the Commission to hear from key stakeholders, including Congress, the Antitrust Division, the business community, and the antitrust bar.

Unfortunately, this appears to be a bad habit for the Commission of late: making significant shifts in enforcement policy without seeking input from key stakeholders. That is not going to help maintain the support for the agency’s mission that is so crucial for it to be effective.¹¹

the agency, to the Commission’s use of its unfairness authority to enact rules and bring cases targeting, among other things, advertising to children).

⁹ Edith Ramirez, Chairwoman, Fed. Trade Comm’n, Address before George Washington University Law School Competition Law Center, at 6 (Aug. 13, 2015), *available at* https://www.ftc.gov/system/files/documents/public_statements/735411/150813section5speech.pdf.

¹⁰ As one leading commentator has put it, “[T]he American public deserve a well-reasoned and cohesive approach to Section 5’s unfair methods of competition standard, not a bullet-point press release filled with clichés.” Lawrence J. Spiwak, *FTC Misses Mark with New “Unfair Methods of Competition” Statement*, THE HILL (Sept. 22, 2015), *available at* <http://thehill.com/blogs/pundits-blog/technology/254463-ftc-misses-mark-with-new-unfair-methods-of-competition>.

¹¹ I also objected in 2012 to the Commission’s withdrawal, without any public input, of its policy statement on pursuing disgorgement in competition matters. *See* Statement of Commissioner Maureen K. Ohlhausen Dissenting from the Commission’s Decision to Withdraw its Policy Statement on Monetary Equitable Remedies in Competition Cases (July 31, 2012), *available at* <http://www.ftc.gov/os/2012/07/120731ohlhausenstatement.pdf>.

Turning back to the substance, it is certainly the case that no policy statement can anticipate all issues or questions that are likely to arise in the enforcement of a statute. However, I argued that this statement raises many more questions than it answers. The client alerts issued by the antitrust bar make it clear that they also see little in this statement to help them counsel their clients. As one firm put it, “It turns out that the guidance is significant only because it is the first guidance that the FTC has issued regarding enforcement under Section 5 of the FTC Act.”¹² I agree with the Chamber’s opinion that the policy statement is “disappointing as it fails to establish an objective standard that closes the door to varying interpretations.”¹³

What business and its counselors have instead is a statement of three general principles, which leave unanswered several key questions. For example, in what way does “a framework similar to the rule of reason” differ from a traditional rule of reason analysis? In her speech announcing the statement, the Chairwoman stressed that the majority was using the term “rule of reason” in its “broad, modern sense.”¹⁴ She then went on to discuss only the quick look or abbreviated rule of reason analysis. Does that mean quick-look analysis will be the default standard for all standalone Section 5 cases? Likewise, does the policy statement mandate a true balancing of the harms and efficiencies, as we would do under the rule of reason (at least in

¹² Nixon Peabody LLP, *FTC Issues Unprecedented but Vague Guidance on Unfair Methods of Competition*, at 1 (Aug. 20, 2015); see also, e.g., King & Spalding, *FTC Issues Statement on “Unfair Methods of Competition” Prohibited by Section 5 of the FTC Act*, at 2 (“At bottom, the FTC seems to have missed an opportunity to provide businesses with meaningful guidance in a controversial area of its enforcement authority.”); Skadden, Arps, Slate, Meagher & Flom LLP, *After Long Debate, FTC Issues Only General Principles Regarding Section 5*, at 1 (“Those anxious for guidance . . . will not find the FTC’s statement on Section 5 wholly satisfying.”); Crowell & Moring, *Federal Trade Commission Issues Policy Statement on Unfair Methods of Competition*, at 2 (“It offers little that the Commission has not stated previously in the context of enforcement actions brought over the past decade.”); Morrison & Foerster LLP, *Key Take-Aways from the FTC’s New Section 5 Statement*, at 2 (“The Statement . . . does not disappoint those who expected little guidance.”).

¹³ U.S. Chamber of Commerce, Statement on the FTC’s Section 5 Authority (Aug. 13, 2015), available at <https://www.uschamber.com/press-release/statement-the-ftc-s-section-5-authority>.

¹⁴ Ramirez, *supra* note 9, at 7.

theory)? Or will the efficiencies be given short shrift in a Section 5 analysis? It is particularly puzzling to me that some who have repeatedly asserted that the FTC overlooks or undervalues efficiencies in its merger review would take comfort from a vague commitment to “take into account cognizable efficiencies” in a much less settled area of law.

Similarly, the Chairwoman and others tout the fact that Section 5 now incorporates widely-used antitrust concepts, such as “harm to competition” and “cognizable efficiencies”—as though those concepts are well-settled, rather than frequently debated terms of art in traditional antitrust law. Further, as the Chamber observed, although the rule of reason standard may be acceptable for the antitrust laws, Section 5 needs a more stringent standard.

Turning to the statement’s third and final principle, it gives the Commission wide latitude to pursue under Section 5 conduct that it considers insufficiently addressed by the antitrust laws. Specifically, the majority said it is merely “less likely” to use Section 5 in those circumstances. That leaves the Commission with a tremendous amount of leeway to pursue Section 5 claims when the antitrust laws have already established the boundaries of legal conduct. Under the policy statement, the Commission can take the same approach it did in the *Intel* case, which is to allege that conduct, such as loyalty discounts or bundling, is a Section 2 and/or a Section 5 violation.¹⁵ Even worse, perhaps, if the Commission believes the Section 2 case law in a given area is too restrictive, it can recast the same conduct as a Section 5 violation, with a lower liability standard. For example, the *Intel* complaint included an assertion to the effect that no showing of a dangerous probability of recoupment is necessary to make out a predatory pricing-

¹⁵ In *Intel*, the Commission’s complaint identified the same conduct—including the offering of loyalty discounts to key customers—as violating both Section 5 and the Sherman Act. See *In re Intel Corp.*, FTC File No. 061-0247, Complaint, at 17 (Dec. 16, 2009) [hereinafter *Intel* Complaint], available at <https://www.ftc.gov/sites/default/files/documents/cases/091216intelcmpt.pdf>.

type claim under Section 5.¹⁶ Perhaps *Intel* is an outlier; but the Commissioners supporting the policy statement did not disclaim it. In fact, the Chairwoman repeatedly emphasized that the statement changes nothing about the Commission’s modern approach to UMC.

Although commenters have rightly focused much attention on what the statement lacks, an examination of the principles a majority of the Commission explicitly embraces is even more troubling for businesses who are under the authority of both the FTC and the DOJ. One of the few guiding principles included in the statement is the pronouncement that Section 5 covers conduct that “contravenes the spirit of the antitrust laws” or which, “if allowed to mature or complete, could violate” the antitrust laws. First, with respect to the ethereal spirit of the antitrust laws, as Professor Hovenkamp observed, “[T]he spirit and letter of the antitrust laws are identical.”¹⁷ That is, “[n]othing prevents [the Sherman and Clayton Acts] from working their own condemnation of practices violating their basic policies.”¹⁸ Thus, what territory outside the letter of the antitrust laws does the Commission want to claim?

Similarly, by invoking incipency as a guiding principle, the statement opens the door to significant expansion of Section 5—particularly into areas of conduct that are legal under the Sherman Act. Although it is true that antitrust law focuses on mergers to stop anticompetitive behavior that has not yet occurred, the UMC statement clearly states that it may apply to conduct that the Sherman and Clayton Act do not condemn. Does this mean the Commission will pursue matters that are insufficiently incipient for the antitrust laws but incipient enough for Section 5?

¹⁶ See *id.* at 9 (“Although it is not a necessary element under a Section 5 claim, Intel as a monopolist is likely to recoup any losses that it suffered as a result of selling any of its products to certain OEMs below cost.”).

¹⁷ II PHILLIP E. AREEDA & HERBERT HOVENKAMP, ANTITRUST LAW ¶ 302h, at 30 (4th ed. 2014).

¹⁸ *Id.* at 31.

The main problem with the incipency doctrine is identifying the precise moment when nascent conduct transforms into a true threat to competition. At what market share should a firm without monopoly power be concerned about triggering an incipient violation through its otherwise lawful conduct? I have often talked about what Friedrich Hayek calls the knowledge problem that hampers regulators trying to predict the future, particularly in fast-moving industries.¹⁹ The Commission's expressed interest in pursuing incipient antitrust violations under Section 5 will only exacerbate that problem.

More importantly, the policy statement's combined claim of authority over conduct outside the letter of the antitrust laws, invocation of incipency, and vague limitations about when to use Section 5 for conduct reachable under the antitrust laws raises the specter of the FTC using UMC to rewrite well-settled areas of antitrust law. To return to my nautical theme, the Commission could try to sail the FTC boat onto lands already mapped by antitrust law. Given past history, following that course could end up looking something like this:



¹⁹ See, e.g., Maureen K. Ohlhausen, Comm'r, Fed. Trade Comm'n, *Regulatory Humility in Practice*, Remarks before the American Enterprise Institute, at 3-4 (Apr. 1, 2015), available at https://www.ftc.gov/system/files/documents/public_statements/635811/150401aeihumilitypractice.pdf.

The statement also explicitly permits the Commission to pursue conduct under Section 5 in the absence of substantial harm to competition. As I noted, however, our Unfairness Statement contains a substantial harm requirement, and thoughtful commentary from leading antitrust scholars suggests that such a requirement be included in any UMC statement. In any case, the fact that this policy statement requires some harm to competition does little to constrain the Commission, as every Section 5 theory pursued in the last 45 years, no matter how controversial or convoluted, can be and has been couched in terms of protecting competition and/or consumers.

Some have expressed the view that having any Section 5 policy statement—no matter how open-ended—is better than having no statement at all. I strongly disagree. Arming the FTC staff with this sweeping new statement is likely to embolden them to explore the limits of Section 5 in both conduct and merger investigations. I fear that this will ultimately lead to more, not less, uncertainty and burdens for the business community.

Finally, as I already noted, the expansive policy statement raises significant concerns for our dual antitrust enforcement framework. Principles of fairness and predictability require that we seek to minimize divergence in liability standards between the two agencies resulting from enforcement of Section 5. Only where the risk to competition is the greatest should we have any type of divergence in such standards. Otherwise, firms may face liability (or not), depending solely on which agency reviews their conduct. This could transform the FTC and DOJ's informal clearance process from a matter of administrative efficiency to a deciding factor in finding firms liable for certain types of conduct. Even worse from a fairness standpoint is the prospect of the Commission leveraging its expansive Section 5 authority to pursue conduct by a

firm whose time-sensitive merger happens to be under review by the Commission. I will discuss this more fully in my discussion of the SMARTER Act.

III. Limiting the Scope of Section 5

The weakness of the UMC policy statement reinforced for me the primary reasons that I believe, if the FTC wants to pursue UMC cases, it should provide clearer guidance that actually significantly cabins the use of its standalone Section 5 authority.²⁰ Among the most important principles that I believe should guide the Commission's efforts—both generally and with respect to Section 5 in particular—are transparency and predictability. Transparency in our law enforcement efforts, of course, offers guidance to businesses on how to comply with the law. Predictability, meanwhile, goes to procedural due process and, quite simply, any notion of good government.

Another important guiding principle for any government agency, including the FTC, is policy coherence. Former Chairman Bill Kovacic has argued that policy coherence is one of the most important factors for predicting the long-term success of an agency.²¹ However, in its Section 5 cases over the past several years, the agency has undermined the policy coherence that I have otherwise seen at the Commission.²² The UMC policy statement continues this trend.

An additional guiding principle for any successful agency is maintaining political support for its mission. By “political” support, I mean both Congressional support and support from the

²⁰ Rather than seeking to expand the scope of Section 5, I believe the FTC ought to focus its efforts and available tools on developing the antitrust laws.

²¹ See David A. Hyman & William E. Kovacic, *Why Who Does What Matters: Governmental Design and Agency Performance*, 82 GEO. WASH. L. REV. 1446, 1484 (2014).

²² See, e.g., *Intel* Complaint, *supra* note 15, at 17-18 (casting conduct simultaneously as monopoly maintenance, attempted monopolization, unfair methods of competition, and unfair or deceptive acts or practices); *In re Negotiated Data Solutions LLC*, FTC File No. 051-0094, Complaint, at 8 (Jan. 23, 2008), available at <https://www.ftc.gov/sites/default/files/documents/cases/2008/01/080122complaint.pdf> (alleging breach of licensing agreement constituted both an unfair method of competition and an unfair act or practice).

agency's key stakeholders more generally. That support is dependent—in large part—on a clearly stated mission for the agency. Congress, the courts, the business community, and the antitrust bar have raised significant concerns regarding the reach of our Section 5 authority. Unfortunately, in issuing the statement, the Commission did not try to build support among its key stakeholders for a broader Section 5 by seeking public comment.

Finally, there are several substantive reasons why the Commission's UMC authority should be very limited in scope.²³ One reason is the need to avoid false positives—that is, the condemning of business conduct that is procompetitive or competitively neutral—as well as the chilling of efficient conduct. Putting aside the invitation to collude cases, the Commission's standalone Section 5 cases over the past decade have been focused virtually entirely on the technology space. That includes *Intel*, *N-Data*, *Bosch*, and *Google/Motorola Mobility*. It is in the technology space where our application of any competition law—whether it is the Sherman Act or the FTC Act—is going to be most challenging, given the dynamic nature of competition in that area. Although I am not arguing that antitrust has no place in technology markets, with a statute as elastic as Section 5, I think the Commission ought to tread extremely lightly in that space. Otherwise, it runs a serious risk of chilling innovation in what are arguably some of the most important industries in our economy.

IV. Ingredients for a Better Section 5 Policy Statement

I will now briefly turn to the factors I had proposed for a Section 5 policy statement in my “Principles of Navigation” speech.²⁴ In it I asked what I believe continues to be the most

²³ See Ohlhausen, *Principles of Navigation*, *supra* note 3, at 16.

²⁴ I proposed looking to the principles and underlying philosophy expressed in Executive Order 12866, which established a regulatory philosophy and twelve principles of regulation for use by federal agencies in deciding whether and how to regulate. President Clinton issued the Order in 1993, and although it has been supplemented and amended since then, the philosophy and guiding principles remain in effect and relevant today. At its core, the

crucial question: Why will consumers and competition be better off in the future with the FTC defining its Section 5 authority expansively?

The first factor I proposed is substantial harm to competition. The FTC's unfair methods of competition authority should be used solely to address substantial harm to competition or the competitive process, and thus to consumers.²⁵ The substantiality requirement I proposed would mirror the one in our Unfairness Statement on the consumer protection side.

I grounded the second factor in the need to avoid false positives. The FTC should challenge conduct as an unfair method of competition only in cases in which: (1) there is a lack of any procompetitive justification for the conduct;²⁶ or (2) the conduct at issue results in harm to competition that is disproportionate to its benefits to consumers and to the economic benefits to the defendant. The more demanding this test, the more confidence we will have that we are challenging conduct that is something other than competition on the merits.

My third proposed factor is a requirement to avoid, or at least minimize, imposing different liability standards on business conduct than does the DOJ Antitrust Division, which also enforces the Sherman and Clayton Acts, but not Section 5. Nor should the FTC use its Section 5 authority to rehabilitate a deficient Sherman or Clayton Act claim. If there is a viable

Order seeks to ensure that a regulation does more good than harm for the public. See Ohlhausen, *Principles of Navigation*, *supra* note 3, at 5-7.

²⁵ This proposed factor takes into account both actual and likely harm to competition. That is, there may be circumstances in which all of my proposed Section 5 criteria are met, except that the substantial harm has not yet taken place. In such cases, the Commission ought to intervene only if there is a high likelihood of the harm taking place. I have in mind a standard of likelihood that is comparable to the "dangerous probability of success" element in attempted monopolization claims.

²⁶ This is the standard that former Commissioner Wright proposed in 2013. See Joshua D. Wright, Comm'r, Fed. Trade Comm'n, *Proposed Policy Statement Regarding Unfair Methods of Competition under Section 5 of the Federal Trade Commission Act* (June 19, 2013), available at <http://www.ftc.gov/speeches/wright/130619umcpolicystatement.pdf>.

claim under those Acts that the FTC can pursue for a particular type of conduct, then we should not use Section 5 in such a case.

My fourth proposed factor goes to the evidence required for any Section 5 enforcement. We should anchor any effort to expand Section 5 beyond the antitrust laws in robust economic evidence that the challenged practice is anticompetitive and reduces consumer welfare. Prior to filing an enforcement action targeting particular business conduct, the agency, through its policy research and development efforts, should acquire substantial expertise regarding such conduct and its effects on consumer welfare.

My fifth proposed factor calls for the agency to consider its non-enforcement tools as an alternative to any Section 5 enforcement. The FTC has often sought to address a competitive concern in the marketplace via its many non-enforcement tools, such as conducting research, issuing reports and studies, and engaging in competition advocacy.

My final proposed factor requires the FTC to provide clear guidance in the Section 5 area. Fundamentally, this means that a firm must be reasonably able to determine that its conduct would be deemed unfair at the time it undertakes the conduct and not have to rely on an after-the-fact analysis of the impact of the conduct that was not foreseeable.²⁷ I believe the case law on Section 5, such as the *Abbott Labs* decision I already mentioned, demands this type of guidance.

²⁷ Beyond a policy statement of some kind, I called for the Commission to take additional steps in the interest of transparency when it brings a standalone Section 5 case. First, the Commission ought to explain why the particular conduct at issue is best addressed by Section 5. That is, the agency ought to identify the institutional advantages of the FTC as an agency and those of Section 5 as a statute that justify the application of Section 5 to the particular conduct. Second, the agency should explain why the antitrust laws could not reach the conduct at issue. Finally, in the interest of providing clear guidance and avoiding doctrinal confusion, the Commission generally should not pursue particular conduct as both an unfair method of competition and an unfair or deceptive act or practice, without clearly spelling out how particular alleged conduct meets each of the elements of a UMC and a consumer protection claim.

V. Section 5 and the SMARTER Act

The reasons counseling against expanding UMC much beyond the borders of traditional antitrust law bring me to the next topic I would like to address: the nexus between a broadly defined Section 5 and the SMARTER Act, also known by its full name as the Standard Merger and Acquisition Reviews through Equal Rules Act (the Act). For those of you not familiar with the different versions of the legislation,²⁸ the bills generally would implement two reforms to the FTC Act. First, they would harmonize the preliminary injunction (PI) standards that the FTC and DOJ must meet in federal court when challenging proposed mergers or acquisitions. Second, the bills would remove the FTC's ability to pursue so-called Part III administrative litigation with respect to such proposed transactions.

Because the SMARTER Act—like many bills in Congress—is still in a state of flux, with various amendments under consideration, I will talk generally about the legislation, rather than comment on a specific version of the bill.

Regarding the harmonization of the PI standards, given my concern about divergent standards between FTC and DOJ, I would support legislation that ensured that courts apply the same PI standard to actions brought by the FTC and DOJ. Although I do believe that in practice, the courts largely apply the same standard, to preclude the possibility of divergent PI standards going forward, this portion of the SMARTER Act appears to be a wise reform.²⁹ And frankly, as

²⁸ In the current session, H.R. 2745 was introduced last June. *See* H.R. 2745, 114th Cong. (2015). In the last Congress, H.R. 5402 was reported out of committee, but was not voted on by the full House. *See* H.R. 5402, 113th Cong. (2014).

²⁹ *See, e.g.,* American Bar Association Section of Antitrust Law, Comments on Proposed Legislation: The Standard Merger and Acquisitions Review through Equal Rules Act of 2014, at 8 n.26 (June 20, 2014) (“In the Section’s view this is an area that is far too important to leave in doubt and thus the Section recommends adoption of the same standard as reflected in the proposed SMARTER Act to remove any and all doubt in this regard.”).

some have recently pointed out,³⁰ the FTC seems to be doing just fine without a lower PI standard.

The Part III amendments in the SMARTER Act raise slightly more complicated issues. As I have discussed on numerous occasions, the FTC has many unique institutional features, including its administrative litigation, research capabilities, and bipartisan composition, which it has used to improve the antitrust laws over the past three decades, racking up an impressive 6-1 record at the Supreme Court in the process.

However, there are several important considerations in assessing the various proposed Part III amendments. First, the Commission's unique features have been utilized much more frequently in conduct matters, which would not be affected by the SMARTER Act, as it is limited to merger reviews. Under the SMARTER Act, it appears the Commission could continue to challenge consummated mergers that it has reason to believe are anticompetitive. In that way, the agency will still be able to develop merger law through its Part III authority, as it did in the *ProMedica*³¹ and *Evanston*³² hospital-merger cases. Even in unconsummated mergers, the Commission could still appeal a PI loss to the circuit court of appeals, if the transaction raised a significant legal issue worth pursuing, as recently happened in the *Phoebe Putney* matter.³³

³⁰ See Mark J. Botti & Anthony W. Swisher, *Regrettable Outcome of Sysco/U.S. Foods Merger Challenge Reflects FTC Has Nothing to Fear from "SMARTER" Act*, Washington Legal Foundation Legal Pulse (July 17, 2015), available at <http://wlflegalpulse.com/2015/07/17/regrettable-outcome-of-sysco-u-s-foods-merger-challenge-reflects-ftc-has-nothing-to-fear-from-smarter-act/> (“[T]he FTC presented a more serious case on the merits and in doing so demonstrated why it doesn’t need special treatment to enforce the antitrust laws.”).

³¹ *In re ProMedica Health System, Inc.*, F.T.C. Dkt. No. 9346, Commission Opinion (Mar. 28, 2012), available at <https://www.ftc.gov/sites/default/files/documents/cases/2012/03/120328promedicabrillopinion.pdf>, *aff’d*, FTC v. ProMedica Health System, Inc., 749 F.3d 559 (6th Cir. 2014).

³² *In re Evanston Northwestern Healthcare Corp.*, 144 F.T.C. 1, 375 (2007) (Commission opinion).

³³ See FTC v. Phoebe Putney Health System, Inc., 133 S. Ct. 1003 (2013).

The second relevant consideration for me is the fact that the Commission has not pursued a Part III proceeding following a PI loss in federal court for twenty years. Opponents of the SMARTER Act cite this fact as a basis for arguing that there should be minimal concern about any misuse or overuse of our Part III authority. However, the lack of use over the past twenty years cuts both ways: it also means the Commission would not be losing a frequently used tool.

Further, I share the concerns created by past Commission statements expressing its intention to pursue Part III litigation no matter the outcome in federal court.³⁴ That is one of the reasons I championed the change to our internal rules earlier this year. Very briefly, the rule at issue, Rule 3.26, addresses the situation where the FTC has lost a PI proceeding in federal court and is considering whether to nonetheless continue with the Part III administrative litigation. The rule change flipped the presumption in that situation to withdrawal of the Part III case from litigation following a motion by the respondent.³⁵ I understand that proponents of the SMARTER Act appreciated the rule change, but are justifiably interested in making that change to our Part III authority more permanent and restrictive.

Finally, I appreciate the concerns that have been raised regarding any increased leverage the FTC gains from the prospect of Part III proceedings and the potential for differing liability standards across the two antitrust agencies. Those concerns have even more resonance with me following the Commission's issuance of this expansive policy statement, which will only widen divergent legal standards between the FTC and DOJ, as the former explores the outer reaches of statutory authority that the latter does not share. As I mentioned previously, I am concerned that

³⁴ See Rules of Practice, 73 Fed. Reg. 58,832, 58,837 (Oct. 7, 2008) (proposed rules) (“[T]he Commission believes the norm should be that the Part 3 case can proceed even if a court denies preliminary relief.”).

³⁵ See Revisions to Rules of Practice, 80 Fed. Reg. 15,157, 15,158-59 (Mar. 23, 2015).

the bounds of that authority could be pushed not only in conduct investigations, but also in the context of merger reviews,³⁶ an even worse outcome from a fairness perspective.

Thus, because I do not think this bill will significantly impact the good work the Commission does in the antitrust area,³⁷ and because I share the leverage and liability concerns animating the bill, I support legislative efforts at making the merger review process as similar as possible across the two antitrust agencies. I will add that I had some concerns regarding early versions of the SMARTER Act, which appeared to make the FTC subordinate to DOJ in challenging unconsummated mergers or otherwise impinged on the independence of the FTC. I appreciate the refinements that have been made to date. Nonetheless, I would hope to see the following in any bill that gets enacted: (1) independent litigating authority for the FTC; (2) the ability for the FTC to settle merger cases on its own—that is, without having to go through any Tunney Act proceedings; and (3) as much clarity as possible regarding the scope of the Part III carve-out to ensure that it does not go beyond the limited extent contemplated in the legislation—that is, unconsummated transactions.³⁸ If the Part III amendments in the SMARTER Act include those elements, I would gladly support enactment of this legislation.

³⁶ See, e.g., *In re Robert Bosch GmbH*, FTC File No. 121-0081, Decision and Order (Nov. 26, 2012), available at <https://www.ftc.gov/sites/default/files/documents/cases/2012/11/121126boschdo.pdf> (settling Section 5 allegations in context of Hart-Scott-Rodino merger review).

³⁷ To that end, I would prefer not to see any further limitations on the FTC’s Part III authority in the merger or antitrust areas beyond those contemplated by the SMARTER Act.

³⁸ In particular, it would be beneficial to the FTC, firms subject to our jurisdiction, and the public interest to minimize any ambiguity as to the transactions that are subject to the SMARTER Act. The various bills that have been proposed use the language “proposed mergers, acquisition, joint ventures, and similar transactions.” There is some concern about how broadly “similar transactions” may be read by the courts. One possibility for minimizing ambiguity on the scope of the Act would be to limit the Part III carve-out to transactions reportable under the Hart-Scott-Rodino Act, consistent with the recommendation of the Antitrust Modernization Commission. See ANTITRUST MODERNIZATION COMM’N, REPORT AND RECOMMENDATIONS 140 (2007) (“Congress should amend Section 13(b) of the [FTC] Act to prohibit the [FTC] from pursuing administrative litigation in Hart-Scott-Rodino Act merger cases.”).

VI. Conclusion

Let me return to Section 5 and provide some concluding remarks.

The business community, the antitrust bar, and Congress will ultimately be the judges of this policy statement—in terms of both the guidance it may (or may not) provide and any limitation it may put on the FTC’s Section 5 authority. The statement gives the majority nominal cover with respect to Congressional interest in some type of Section 5 policy statement. However, I believe Congress should and will continue to keep a very close eye on the Commission and its use of Section 5.

To be fair, we may not know for some time whether the Commission will use this statement to expand significantly the scope of Section 5 enforcement or to exert additional leverage in its enforcement of the Sherman and Clayton Acts. In her speech announcing the statement, Chairwoman Ramirez conveyed her view that the issuance of the statement does not reflect a change in Section 5 policy for the Commission.³⁹ That, however, is her view alone. There is nothing in the policy statement itself, or the accompanying majority statement, that reflects such a view. At the same time, I take the Chairwoman at her word. I do not think she (herself) is interested in significantly expanding Section 5 beyond the territory that it has covered over the past five years or so that she has been on the Commission. Still, the Commission’s definition of Section 5 over the past decade has already been too expansive for my taste.

Thank you for your attention. I would be happy to address any questions you may have.

³⁹ See Ramirez, *supra* note 9, at 6.