

**Calendar No. 552**

104TH CONGRESS }  
*2d Session* }

SENATE

{ REPORT  
104-342 }

**FEDERAL TRADE COMMISSION  
REAUTHORIZATION ACT OF 1996**

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R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION

ON

S. 1840



JULY 31, 1996.—Ordered to be printed

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WASHINGTON : 1996

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

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### FEDERAL TRADE COMMISSION REAUTHORIZATION ACT OF 1996

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Mr. PRESSLER, from the Committee on Commerce, Science, and  
Transportation, submitted the following

### REPORT

[To accompany S. 1840]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1840) “A bill to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission”, having considered the same, reports favorably thereon and recommends that the bill do pass.

#### PURPOSE OF THE BILL

The bill would authorize \$107,000,000 in fiscal year 1997 and \$111,000,000 in fiscal year 1998 for the activities of the Federal Trade Commission (FTC).

#### BACKGROUND AND NEEDS

In 1994, Congress authorized appropriations for the FTC through fiscal year (FY) 1996. That authorization followed a 12-year period in which appropriations for the FTC were not authorized. In that authorization Act, significant changes were made to the FTC’s authorizing statutes.

The expenditures authorized by this bill would permit the FTC to maintain existing staffing levels of 979 full time equivalent employees (FTEs).

#### LEGISLATIVE HISTORY

On May 7, 1996, the Subcommittee on Consumer Affairs, Foreign Commerce and Tourism of the Committee on Commerce, Science,

and Transportation held a hearing on the FTC in preparation for FTC reauthorization legislation.

Senators Pressler, Gorton, Hollings, Bryan, and Snowe introduced S. 1840 on June 5, 1996. On June 6, 1996, the Committee, during open Executive Session, ordered the bill favorably reported without amendment.

Congressmen Oxley and Manton introduced an identical companion bill (H.R. 3553) in the House of Representatives.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and Section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, June 14, 1996.*

Hon. LARRY PRESSLER,  
*Chairman, Committee on Commerce, Science, and Transportation,  
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1840, the Federal Trade Commission Reauthorization Act of 1996.

Enactment of S. 1840 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill No.: S. 1840.
2. Bill title: Federal Trade Commission Reauthorization Act of 1996.
3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation on June 6, 1996.
4. Bill purpose: S. 1840 would authorize appropriations of \$107 million for 1997 and \$111 million for 1998 for the Federal Trade Commission.
5. Estimated cost to the Federal Government: Assuming appropriation of the authorized amounts, CBO estimates that enacting S. 1840 would result in costs to the federal government of \$218 million over the 1997–2002 period. Estimated outlays are based on historical spending rates for the authorized activities. The following table summarizes the estimated budgetary effects of S. 1840.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Spending under current law:							
Budget authority .....	79						
Estimated outlays .....	80	6					

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Proposed changes:							
Authorization level .....		107	111				
Estimated outlays .....		98	111	9			
Projected spending under S. 1840:							
Authorization level <sup>1</sup> .....	79	107	111				
Estimated outlays .....	80	104	111	9			

<sup>1</sup>The 1996 level is the amount appropriated for that year.

The costs of this bill fall within budget function 370.

6. Pay-as-you-go considerations: None.

7. Estimated impact on State, local, and tribal governments: S. 1840 contains no intergovernmental mandates as defined in Public Law 104-4 and would have no direct impact on the budgets of State, local, or tribal governments.

8. Estimated impact on the private sector: This bill would impose no new private-sector mandates as defined in Public Law 104-4.

9. Previous CBO estimate: None.

10. Estimate prepared by: Federal cost estimate: Rachel Forward and Jonathan Womer; State and local government impact: Leo Lex; and private sector impact: Jean Wooster.

11. Estimate approved by: Robert A. Sunshine (for Paul N. Van de Water, Assistant Director for Budget Analysis).

#### REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

This legislation simply provides an authorization of appropriations for the FTC in fiscal years 1997 and 1998. As the legislation makes no programmatic changes concerning the FTC and its activities, it will have no effect on the number of individuals regulated or on the personal privacy of regulated individuals. As the legislation merely authorizes appropriations for the FTC at a level sufficient to maintain existing staffing levels, the legislation should not have any significant new economic impact and it will not change the paperwork requirements associated with the FTC.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title*

Section 1 of the bill provides that the bill may be cited as the "Federal Trade Commission Reauthorization Act of 1996".

##### *Section 2. Reauthorization*

Section 2 authorizes expenditures by the FTC of \$107 million in FY 1997 and \$111 million in FY 1998.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 15. COMMERCE AND TRADE

CHAPTER 2. FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT  
TRADE AND PREVENTION OF UNFAIR METHODS OF COMPETITION

FEDERAL TRADE COMMISSION

**§ 57c. Authorization of appropriations**

There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed \$92,700,000 for fiscal year 1994; not to exceed \$99,000,000 for fiscal year 1995; **[and not to exceed]** *not to exceed* \$102,000,000 for fiscal year **[1996.]** *1996; not to exceed \$107,000,000 for fiscal year 1997; and not to exceed \$111,000,000 for fiscal year 1988.*