



Federal Trade Commission

Strategic Plan

Fiscal Years 2006-2011

September 30, 2006

Message from the Chairman

It is my pleasure to present the Federal Trade Commission's Strategic Plan for fiscal years 2006 to 2011. This document was prepared in accordance with the Government Performance and Accountability Results Act of 1993 and outlines the FTC's mission and strategic goals for the next five years.

In accordance with the requirements of OMB Circular A-11, the Strategic Plan includes:

- The FTC's mission statement;
- Strategic goals and objectives defining how the FTC will fulfill its mission;
- Description of the means and strategies that will be used to achieve the strategic goals and objectives;
- Descriptions of the relation between performance goals or measures in the annual performance budget and the strategic goal framework;
- Identification of key factors that could affect achievement of the strategic goals and objectives; and
- Description of program evaluations used in preparing the Strategic Plan and a schedule for future evaluations.

Our strategic goals are to protect consumers and maintain competition in this dynamic environment. I look forward to working with Congress, consumers, businesses, industry members, and our federal, state, local, and international law enforcement partners as the FTC implements its plan. This is a unique and important time for the Commission's mission as the marketplace continues to evolve into an online, high-tech, and global marketplace, and I believe the strategies outlined in this plan will allow the FTC to address these and other challenges for consumers in the coming years.

Deborah Platt Majoras
Chairman

Table of Contents

Message from the Chairman	i
Overview	1
Summary of Strategic Goals, Objectives, and Performance Measures	2
FTC Strategic Plan Fiscal Years 2006-2011	5
Strategic Goal 1: Protect Consumers	5
Objective 1: Identify fraud, deception, and unfair practices that cause the greatest consumer injury	5
Objective 2: Stop fraud, deception, unfairness, and other unlawful practices through law enforcement	9
Objective 3: Prevent consumer injury through education	12
Objective 4: Enhance consumer welfare through research, reports, advocacy, and international cooperation and exchange	15
Strategic Goal 2: Maintain Competition	19
Objective 1: Identify anticompetitive mergers and practices that cause the greatest consumer injury	19
Objective 2: Stop anticompetitive mergers and business practices through law enforcement	24
Objective 3: Prevent consumer injury through education	28
Objective 4: Enhance consumer welfare through research, reports, advocacy, and international cooperation and exchange	31
Factors Affecting the Achievement of Goals	34
Evaluation Plans	37
GPRA Stakeholders	38

Overview

Mission

To prevent business practices that are anticompetitive or deceptive or unfair to consumers; to enhance informed consumer choice and public understanding of the competitive process; and to accomplish these missions without unduly burdening legitimate business activity.

Vision

A U.S. economy characterized by vigorous competition among producers and consumer access to accurate information, yielding high-quality products at low prices and rewarding efficiency, innovation, and consumer choice.

Strategic Goal 1

Protect Consumers: Prevent fraud, deception, and unfair business practices in the marketplace.

Strategic Goal 2

Maintain Competition: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace.

Organization

The FTC is headed by a Commission composed of five members who are nominated by the President and confirmed by the Senate, and who serve staggered seven-year terms. The President chooses one Commissioner to act as Chairman. No more than three Commissioners can be of the same political party. In FY 2006, the Chairman was Deborah Platt Majoras, and the Commissioners were Pamela Jones Harbour, Jon Leibowitz, William E. Kovacic, and J. Thomas Rosch.

The FTC has two major law enforcement bureaus, Consumer Protection and Competition, supported by an Economics Bureau, regional offices, and mission support offices. The agency enforces laws that prohibit business practices that are anticompetitive, deceptive, or unfair. It also promotes informed consumer choice and public understanding of the competitive process. The work of the FTC is critical in protecting and strengthening free and open markets in the United States and, increasingly, the world.

Summary of Strategic Goals, Objectives, and Performance Measures

Strategic Goal	Objective	Annual and Five-Year Performance Measures
Strategic Goal 1: Protect Consumers	Objective 1.1 <i>Identify</i> fraud, deception, and unfair practices that cause the greatest consumer injury	Collect and enter more than 1.05M complaints and inquiries into the consumer database a year by 2008; and more than 1.25M by 2011
		Determine if at least one-half of consumer protection law enforcement actions each year are responsive to the consumer complaint information gathered by the agency
	Objective 1.2 <i>Stop</i> fraud, deception, unfairness, and other unlawful practices through law enforcement	Stop fraudulent and deceptive practices by obtaining at least 130 orders each year
		Stop approximately \$400M in economic injury to consumers each year; save consumers a total of at least \$2B through law enforcement by 2011
		Objective 1.3 <i>Prevent</i> consumer injury through education
	Determine if, included in the total of consumer protection messages accessed, those relating to identity theft are accessed more than 9M times a year by 2008, and more than 11M times a year by 2011	
	Determine if, included in the total of consumer protection messages accessed, messages in Spanish are accessed more than 3M times a year by 2008, and more than 4M times a year by 2011.	
	Track number of times print media publish articles that refer to FTC consumer protection activities and the circulation of the media that publish those articles each year	
	Objective 1.4 <i>Enhance</i> consumer welfare through research, reports, advocacy, and international cooperation and exchange	Convene or participate substantially in at least 30 workshops and conferences and issue at least 40 reports on novel or challenging consumer protection problems or issues over five-year period
		File at least 30 public and advocacy comments with other federal and state government agencies over five-year period
		Cooperate with foreign government agencies on at least 100 enforcement matters with cross-border components over five-year period
		Provide policy or technical input to foreign government agencies or international organizations in at least 100 instances involving consumer protection over five-year period

Strategic Goal 2: Maintain Competition	Objective 2.1 <i>Identify</i> anticompetitive mergers and practices that cause the greatest consumer injury	Track number of enforcement actions for the total mission, and separately for the merger and nonmerger programs
		Achieve positive outcome in at least 90% of matters in which HSR requests for additional information issue
		Report annual number of second requests, reportable transactions for which premerger notifications were received, HSR investigations that resulted in enforcement action, transactions in which antitrust issues were resolved through voluntary abandonment or restructuring because of FTC concerns, and investigations closed because the evidence indicated that a competitive problem was unlikely
		Achieve a positive outcome in at least 90% of annual significant nonmerger investigations
		Track number of significant nonmerger investigations closed each year, with or without enforcement action
	Objective 2.2 <i>Stop</i> anticompetitive mergers and business practices through law enforcement	Achieve a positive result in at least 80% of cases in which the FTC takes enforcement action each year
		Take action against mergers likely to harm competition in markets with a total of at least \$125B in sales over 5-year period; \$25B in sales each year
		Save consumers an estimated \$2.5B over 5-year period through merger enforcement; \$500M each year
		Save consumers at least six times the amount of agency resources allocated to the merger program over 5-year period
		Take action against nonmerger anticompetitive conduct in markets with a total of at least \$40B in annual sales over 5-year period; \$8B each year
		Save consumers an estimated \$400M over 5-year period through nonmerger enforcement; \$80M each year
		Save consumers at least four times the amount of agency resources allocated to the nonmerger enforcement program over 5-year period
	Objective 2.3 <i>Prevent</i> consumer injury through education	Track annual volume of traffic on the ftc.gov antitrust related pages that are relevant to policymakers, the business and legal communities, and the public at large
		Track number of times print media publish articles that refer to FTC competition activities and the circulation of the media that publish those articles each year
	Objective 2.4 <i>Enhance</i> consumer welfare through research, reports, advocacy, and international cooperation and exchange	Track annual volume of traffic on ftc.gov relating to competition research, reports, advocacy, and international cooperation and exchange
		Convene, or participate substantively in, at least 20 workshops, conferences, seminars, and hearings involving significant competition-related issues over 5-year period

		Issue at least 40 studies, reports, or working or issues papers on significant competition-related issues over 5-year period
		Make at least 30 advocacy filings with other federal and state government agencies urging them to assess the competitive ramifications and costs and benefits to consumers of their policies over 5-year period
		Issue at least 12 advisory opinions over five year period
		File at least 12 amicus briefs with courts over 5-year period
		Track number of cases on which the FTC cooperated with a foreign competition authority, number of consultations with or comments to foreign competition authorities, number of written submissions on international fora, number of international events attended, and number of leadership positions held by FTC staff in international competition organizations

**Federal Trade Commission
Strategic Plan
Fiscal Years 2006-2011**

Strategic Goal 1 – Protect Consumers

Prevent fraud, deception, and unfair business practices in the marketplace.

The FTC has jurisdiction over a wide range of consumer protection issues. To carry out its broad mission, it must make effective use of limited resources by targeting its law enforcement and education efforts for maximum impact and by working closely with federal, state, international, and private sector partners in joint initiatives. In addition, the agency engages in dialogue with a variety of stakeholders to understand market concerns, and engages in and encourages study of and empirical research on consumer protection topics.

Objective 1: Identify fraud, deception, and unfair practices that cause the greatest consumer injury.

To fulfill its consumer protection mission, the FTC must identify consumer protection problems and trends in the fast-changing, increasingly global marketplace. The agency strives to understand the issues affecting consumers, including any newly emerging methods of fraud or deceit, to address these problems more effectively. The FTC reports this information to other law enforcement authorities and encourages those authorities to assist in its efforts, either independently or jointly. In this way, the FTC can leverage its resources by ensuring multiple “cops on the beat.”

To fulfill this objective, the FTC is using new technologies creatively and building on its broad base of private and public sector partners. The agency continues to collect consumer complaint information directly through four principal sources: (1) a toll-free helpline (1-877-FTC HELP); (2) an identity theft hotline (1-877-ID-THEFT); (3) the National Do Not Call Registry (www.donotcall.gov); and (4) the online consumer complaint forms that support each of these efforts, as well as online complaint forms dedicated to members of the U.S. Armed Forces and to cross-border fraud complaints. In addition, the FTC continues to gather consumer complaint information from other sources, including law enforcement agencies, Better Business Bureaus, and private entities. The agency makes this and other information available online to its law enforcement partners through a secure Internet Web site. Currently, that site is accessed by more than 1,500 law enforcement partner agencies in the United States, Canada, and Australia. The FTC’s law enforcement partners and other groups also identify issue areas and refer targets. In addition, the agency augments identification of targets from its database with traditional strategies for generating enforcement leads.

1. Strategies

- Continue to upgrade and enhance the online consumer complaint database and Web site to respond to increasing demands and maintain it as the premier consumer protection law enforcement information resource.
- Improve and expand the tools that are provided through this Web site by pulling multiple systems together onto one platform and making it the gateway for law enforcement officials who want information about the consumer protection problems affecting consumers.
- Expand the pool of entities that make their consumer complaint data available to the law enforcement community through this Web site.
- Improve information sharing with law enforcement partners through this Web site.
- Continue outreach to international law enforcement partners and organizations to improve information sharing.
- Continue to strengthen the FTC's capabilities to analyze the increasing volume of consumer complaints and augment complaints with other sources to develop case leads and identify new or emerging concerns.
- Monitor the marketplace to identify illegal practices that may not be fully captured by the database, for example, through the FTC Internet Lab, spam database, Web surveys (surfs), and through consumer surveys, such as the recent fraud and identity theft surveys.
- Ensure the quality, security, and integrity of the database and Web site information.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Upgrade and enhance the online consumer complaint database and Web site and maintain it as the premier consumer protection law enforcement information resource.
- Recruit state, local, federal, and international law enforcement agencies to join the online Web site and contribute complaint data, and train them to take full advantage of its features.
- Make comprehensive consumer complaint information, as well as the analysis of that information, available to the FTC's law enforcement partners through its secure Web site.

- Improve the capacity to receive and integrate complaints from U.S. and international sources and facilitate the exchange of that data with law enforcement officials in the U.S. and other countries.
- Encourage consumers to report fraud, identity theft, and do not call complaints by increasing public awareness of the complaint process.
- Mine the reported complaint data to identify enforcement targets and provide pertinent information to public and private sector partners.
- Coordinate with enforcement partners and other sources of case generation leads, and conduct advertising reviews, test shopping, and Web surfs.

3. Five-Year Performance Measures

For each year 2006-2011:

- Collect and enter into the FTC's comprehensive information system more than 1.05 million complaints and inquiries a year; and more than 1.25M by 2011.
- Determine if at least one-half of the agency's consumer protection law enforcement actions are responsive to the consumer complaint information gathered by the agency.

The FTC mines the complaint data and other information it collects to identify and target the most serious cases of fraud and deception and respond quickly to emerging problems. The agency also makes this information available to its law enforcement partners. Information sharing helps the agency coordinate its efforts to fight the many and serious problems facing consumers. These performance measures will ensure that the agency's enforcement activities are targeted at areas of greatest consumer concern, thus making the agency responsive to consumer needs and changes in the marketplace and efficient in its consumer protection efforts. They also will help the agency effectively leverage law enforcement resources by sharing this important information.

4. Program Evaluations

- Assess whether the FTC's law enforcement and education efforts are addressing the leading areas identified by the consumer complaint information gathered by the agency.
- Assess the extent to which the consumer complaint and other information made available by the agency is used by staff and its law enforcement partners. Implement changes to increase usage to assist ongoing investigations and identify new targets.
- Review current functions, determine what changes or upgrades to the database would be helpful, and implement those changes.

- Assess security and integrity protections for the database and proposed enhancements to the database and evaluate the policies in place.

In conducting its program evaluations under this objective, as well as each of the other objectives set forth in this strategic plan, the FTC will work to (1) improve the integration of budget and performance by linking goals and objectives to results, (2) develop improved processes for collection, use, and analysis of management data, and (3) follow a basic standard of data quality, including objectivity, utility, and integrity for the information used in measuring performance, and for any performance or other data that the agency may distribute publicly.

Objective 2: Stop fraud, deception, unfairness, and other unlawful practices through law enforcement.

The FTC protects consumers by enforcing Section 5 of the FTC Act, which prohibits unfair or deceptive acts or practices in or affecting commerce, as well as by enforcing an increasing number of statutes and rules proscribing specific unlawful practices. The agency initiates civil cases, primarily by filing actions in federal court, which allege that defendants have violated these laws and rules and seeking injunctions and other relief.

1. Strategies

- Focus agency enforcement on cutting-edge issues that threaten consumer protection in emerging areas, including e-commerce, globalization, and the marketing of new products and services.
- Stop injury to consumers by applying fundamental consumer protection principles to new practices, such as those arising from emerging payment systems and the convergence of information technologies.
- Halt advertising and marketing practices that are most injurious to consumers or that prey on specific groups of vulnerable consumers.
- Challenge practices that threaten consumer privacy.
- Enforce consumer credit statutes and rules to protect consumers from deceptive lending practices and other illegal credit practices.
- Use the results of the consumer fraud and identity theft surveys to determine where enforcement needs are greatest and meet these needs with targeted enforcement efforts.
- Update, rescind, or promulgate trade regulation rules and other agency rules in response to regulatory reviews and Congressional mandates.
- Create and implement a comprehensive order-enforcement program that targets those individuals and corporations that violate federal court and administrative orders obtained by the FTC.
- Promote the criminal prosecution of the most egregious fraud violators through coordination and cooperation with criminal law enforcement authorities.
- Continue to coordinate with local, state, federal, and international law enforcement partners for initiatives and sweeps.

2. Year-By-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Target law enforcement toward violations that create the greatest risks to consumer health, safety, and economic well-being by reviewing complaints, evaluating practices in the marketplace, and monitoring industry data and other information.
- Enforce protections for consumers from fraud, deception, and other abuse perpetrated through different media such as direct mail, telemarketing, Web sites, and new technologies.
- Monitor national advertising in print, television, radio, and online to identify illegal practices that may not be captured fully by the complaint database.
- Identify industries whose consumer data is at high risk and use law enforcement to promote better data security practices through enforcement of the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act, and Section 5 of the FTC Act.
- Administer and enforce the National Do Not Call Registry.
- Enhance government efforts to deter, prevent, defend, investigate, and prosecute identity theft through participation in the Identity Theft Task Force and through the FTC's own program.
- Participate in international consumer protection organizations that share information about cross-border commercial activities that may affect consumer interests.
- Identify key areas of noncompliance in the consumer credit reporting system.
- In rulemakings, evaluate the regulatory effect on industry, consumers, and other parties, invite public comment, coordinate with other agencies, and promulgate rules accordingly.
- Develop and maintain a new order-enforcement database to better monitor compliance with federal court and administrative orders and bring actions against those individuals and companies that violate those orders.
- Train FTC staff to improve investigative and litigation skills through formal programs that teach best practices used in government and private industry.
- Increase the FTC's capacity to respond rapidly to fast-moving technology-based scams by enhancing the Internet Lab and increasing tech-savvy litigation support.

- Leverage FTC enforcement resources by recruiting, supporting, and coordinating local, state, federal, and international law enforcement partners for initiatives and sweeps.
- Work with criminal prosecutors and investigators to promote criminal prosecution of FTC fraud defendants and those who assist their deceptive practices.
- Continue to integrate e-government initiatives into mission activities.

3. Five-Year Performance Measures

For each year 2006-2011:

- Stop fraudulent and deceptive practices by obtaining at least 130 orders.
- Stop approximately \$400 million a year in economic injury to consumers; by 2011, the FTC will have saved consumers at least \$2 billion through its consumer protection law enforcement.

The FTC targets its enforcement resources towards areas of greatest risk to consumer health, safety, and economic well-being, with particular attention to emerging threats from new practices or technologies. These measures will help guide deployment of the agency's enforcement activities to ensure that they provide the most efficient level of protection to consumers.

4. Program Evaluations

- Measure the percentage (in full-time equivalent staff years) of the FTC's consumer protection law enforcement resources focused on emerging practices or technologies.
- Evaluate whether enforcement activities are tracking the areas of greatest concern and injury to consumers and whether there are new practices or technologies that require additional consumer protection law enforcement.

Objective 3: Prevent consumer injury through education.

Consumer and business education serves as the first line of defense against fraud, deception, and unfair practices. Most FTC law enforcement initiatives include a consumer and/or business education component aimed at preventing consumer injury and unlawful business practices, and mitigating financial losses. From time to time, the agency conducts pre-emptive consumer and business education campaigns to raise awareness of new or emerging marketplace issues that have the potential to cause harm.

1. Strategies

- Focus consumer and business education efforts on areas where fraud, deception, unfair practices, and information gaps cause the greatest injury.
- Leverage resources (by working with federal, state, local, international, and private sector partners) to maximize the reach of consumer and business education campaigns.
- Target particular demographic groups with messages about marketplace issues that impact their health, safety, and economic well-being.
- Use the results of the consumer fraud and identity theft surveys to determine where education needs are greatest and meet these needs with targeted education efforts.
- Increase public awareness of consumer protection problems and solutions by conducting and publishing studies and filing advocacy comments on changes in the marketplace and the impact of business and government actions on consumers.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Deliver efficiently and effectively educational information in English and Spanish to consumers, industry members, and law enforcement partners on how to prevent consumer injury, avoid unlawful business practices, and enhance consumer welfare.
- Focus efforts on high-profile or emerging issues – for example, Internet scams, online privacy, identity theft, and financial literacy – to close information gaps.
- Find new and creative ways to reach consumers with information about marketplace issues that can cause them financial injury and to reach businesses with information that increases knowledge about consumer risks and compliance.
- Monitor, review, and provide guidance to parents and children on marketing that may affect children and teenagers.

- Build partnerships with industry and advocacy organizations to lead more visitors to the FTC's Web site (www.ftc.gov) and to other issue-oriented Web sites developed by the FTC such as, www.DoNotCall.gov, www.OnGuardOnLine.gov, and www.DontServeTeens.gov (this site will become accessible in August 2006).
- Continue to build relationships with international organizations to educate consumers and businesses about cross-border consumer protection issues.
- Increase media coverage to broadcast the agency's education message to a broader audience.

3. Five-Year Performance Measures

- Track if FTC's consumer protection messages are accessed online or in print a total of more than 50 million times a year through 2008, and more than 60 million times a year by 2011.
- Determine if, included in the total of FTC's consumer protection messages accessed online or in print, the messages relating to identity theft are accessed more than 9 million times a year by 2008, and more than 11 million times a year by 2011.
- Determine if, included in the total of FTC's consumer protection messages accessed online or in print, the messages in Spanish are accessed more than 3 million times a year by 2008, and more than 4 million times a year by 2011.
- Track the number of times external print media, such as newspapers, magazines, business and trade journals, and professional journals, publish articles that refer to FTC consumer protection activities and the circulation of the media that publish those articles to help determine the reach of FTC's education efforts.

Consumer and business education are crucial tools in preventing and reducing consumer harm efficiently and effectively. These performance measures will help ensure that the agency is engaging in a sufficient amount of educational activity and that the educational materials are aimed at new trends and at particularly vulnerable populations.

4. Program Evaluations

- Measure the number of education messages disseminated each year relating to high-profile or emerging issues where consumer and business education can help alleviate consumer injury.
- Assess whether the appropriate mix of media is being used to communicate consumer education messages and whether the FTC is making the most efficient use of available media and technology.

- Assess the number and range of public and private sector organizations that partner with the FTC on outreach.
- Determine whether the FTC needs to reach new audiences, in light of any changes in demographics, advertising, and marketing practices, and what strategies or partnerships may allow the FTC to reach those audiences.
- Review the focus of FTC education efforts and adjust them based on changing consumer and business needs.
- Continue to assess the consumer information needs of the Spanish-speaking population.

Objective 4: Enhance consumer welfare through research, reports, advocacy, and international cooperation and exchange.

The FTC uses a variety of strategies in addition to law enforcement and education to enhance consumer welfare. The agency convenes conferences and workshops through which experts and other experienced and knowledgeable parties identify novel or challenging consumer protection issues and discuss ways to address those issues. The FTC also issues reports that Congress has mandated or that the agency has prepared on its own initiative that analyze consumer protection problems and suggest public and private sector policies to address them, such as self-regulatory efforts. Further, the FTC files comments with federal and state government bodies advocating policies that promote the interests of consumers and highlight the role of consumer and empirical research in their decision making. In particular, the agency testifies before Congress on consumer protection issues. The FTC engages in a variety of international cooperation, exchange, and advocacy activities designed to promote market-based consumer protection policies and effective cross-border coordination. The FTC also files amicus briefs to aid courts' considerations of important consumer protection issues.

1. Strategies

- Focus workshops and conferences on emerging or challenging consumer protection problems, especially those related to new technologies.
- Issue reports mandated by law and other reports that articulate concrete measures that the public and private sectors could take to address consumer protection problems, particularly those related to new technologies or emerging technologies.
- Target advocacy activities to encourage state, federal, and foreign government policymakers to evaluate both the costs and benefits of their policies for consumers, emphasizing the impact on consumers of policies that unnecessarily affect the dissemination of truthful, non-misleading information to consumers and the interplay of competition and consumer protection concerns.
- Use letters and public comments to urge state, federal, and foreign government policymakers to consider consumer research and other empirical data in their decisions regarding the costs and benefits of their policies for consumers.
- Pursue the development of an international market-based consumer protection model, which focuses on protecting consumers from significant harm while maximizing economic benefit, consumer access to information, and consumer choice.
- Encourage industry self-regulation where consumer protection problems are emerging, industry has a comparative advantage in addressing the problems, or legal or practical limitations constrain the government's ability to act.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Identify novel or challenging consumer protection problems, especially those related to new technologies.
- Convene workshops and conferences and issue reports (including those required by law) concerning such consumer protection problems.
- Analyze federal and state government policies and identify those that impose costs on consumers that may exceed their benefits to consumers, especially policies that affect the dissemination of truthful, non-misleading information to consumers.
- File comments or otherwise engage in advocacy with state, federal, and foreign government policymakers that evaluate both the costs and benefits of proposed policies on consumers, with a particular emphasis on the role of consumer research and other empirical data in their decisions, and an awareness of the intersection of competition and consumer protection concerns.
- File amicus curiae briefs in state and federal courts urging adoption of legal principles that promote consumer welfare.
- Present major policy speeches that discuss emerging or challenging consumer protection problems and explain the FTC's approach to them.
- Participate in international organizations to promote effective market-oriented consumer protection and privacy policies.
- Identify through monitoring or other means consumer protection problems that industry self-regulation could effectively combat and work with industry to adopt such self-regulatory measures.

3. Five-Year Performance Measures

For the years 2006-2011:

- The FTC will convene or participate substantially in at least 30 workshops and conferences and issue at least 40 reports on topics such as novel or challenging consumer protection problems, including issues related to the scope and effectiveness of self-regulation.

- The FTC will file at least 30 public and advocacy comments with other federal and state government bodies helping them to assess the costs and benefits to consumers of their policies and the implication of consumer research and other empirical data for their policy decisions, where appropriate.
- Cooperate with foreign government agencies on at least 100 enforcement matters with cross-border components.
- Provide policy or technical input to foreign government agencies or international organizations in at least 100 instances involving consumer protection.

Public policy that enhances consumer welfare is based on a thorough understanding of complex issues, which arises from dialogue, study, and empirical research. Such policy also appreciates that stakeholders other than government, such as industry associations or private standard-setting organizations, may be better placed to address certain consumer protection issues. These performance measures will help ensure that the agency augments its enforcement and education efforts by encouraging discussions among all interested parties, as well as careful study of and empirical research on novel or challenging consumer protection problems. These activities will help enhance consumer welfare by guiding the FTC's consumer protection policy decisions, as well as the decisions of other state, federal, and international policymakers.

4. Program Evaluations

- Include evaluation forms with workshop and conference materials to help assess whether the workshops and conferences are an effective means of joining the debate relating to these issues.
- Determine whether reports issued by the FTC following workshops or conferences are issued timely (approximately within nine months for reports that summarize the proceedings), and contribute to progress on the issue of the workshop or conference.
- Determine whether statutory deadlines for reports required by Congress have been met.
- Evaluate whether the FTC is filing comments or otherwise engaging in advocacy with state, federal, and foreign government bodies on consumer protection policies that will have a significant impact on consumers and whether the recipients of these comments give weight to the views expressed in these comments in making policy decisions that affect consumers.
- Assess whether industry gives weight to the FTC's evaluation, monitoring, and advocacy and whether market interests are affected.
- Determine the scope and frequency of citation of and reference to FTC reports, studies, conference materials, and major policy speeches by other policymakers, academics, the courts, and the media.

Strategic Goal 2 – Maintain Competition
*Prevent anticompetitive mergers and other anticompetitive business practices
in the marketplace.*

The work of the FTC’s Maintaining Competition Mission is critical to protect and strengthen the free and open markets that are the cornerstone of a vibrant economy. Aggressive competition among sellers in an open marketplace gives consumers the benefit of lower prices, higher quality products and services, maximum choice, and innovation leading to beneficial new products and services. The FTC’s goal is to promote vigorous competition by using the antitrust laws to prevent anticompetitive mergers and stop business practices that diminish competition, such as agreements among competitors about prices or other aspects of competition (referred to as nonmerger enforcement), while at the same time minimizing the burdens on legitimate competitive activities. The FTC also engages in a dialogue with state, federal, and international policymakers to advocate on behalf of free and open markets and to urge them to restrict competition as little as possible when pursuing other regulatory goals. In addition, the agency engages in dialogue with a variety of stakeholders to understand market concerns, and engages in and encourages study of and empirical research on competition topics. The FTC also files amicus curiae briefs in cases presenting important competition issues that urge courts to adopt rules that benefit consumers by promoting competition.

Objective 1: Identify anticompetitive mergers and business practices that cause the greatest consumer injury.

The Hart-Scott-Rodino (HSR) Premerger Notification Act provides the FTC an effective starting point for identifying anticompetitive mergers before they are consummated. The FTC administers the HSR program both for itself and for the Department of Justice’s (DOJ) Antitrust Division, which shares authority to challenge anticompetitive mergers. Mergers reported to the FTC vary tremendously in their complexity and potential anticompetitive effect. In some cases, the agency can make a reasonable judgment within a few days of filing about whether a merger has the potential to be anticompetitive or procompetitive, simply by reviewing materials filed with the notification. In other cases, an investigation can take months and require a major commitment of resources. Far more transactions fall into the former category than the latter. The FTC also uses trade press articles, consumer and competitor complaints, and other means to identify potentially anticompetitive mergers that were not required to be reported under HSR, or that were not reported in violation of HSR.

On the nonmerger side, there is no comparable statutorily mandated program to help identify anticompetitive business practices. The FTC must instead employ a variety of methods to identify potentially anticompetitive practices (for example, consumer and competitor complaints, referrals from other government agencies, and monitoring the trade press).

1. Strategies

- Continue to make efficient use of the initial 30-day period after HSR filings (or 15 days for a cash tender offer) to determine whether a more detailed investigation is needed to assess whether a merger is likely to harm competition, and to avoid unnecessary extended investigations, including prompt inter-agency clearance and timely review.
- Use trade press articles, consumer and competitor complaints, and other means to identify potentially anticompetitive mergers that were not required to be reported under HSR, or that were not reported in violation of HSR, and potentially anticompetitive nonmerger business practices.
- When appropriate, issue requests for additional information under HSR to determine whether a merger is likely to be anticompetitive.
- When appropriate, use compulsory process in merger and nonmerger investigations to obtain additional information needed to make an informed judgment about the anticompetitive potential of mergers and nonmerger practices.
- Apply the merger process reforms to conduct investigations more efficiently, in order to enhance enforcement outcomes while minimizing burdens on business.
- Employ integrated teams of lawyers, economists, and other professionals to conduct an economically sound, fact-based analysis of mergers and other potentially anticompetitive business practices. Retain outside experts and consultants in relevant fields of expertise, as needed, when enforcement outcomes would be enhanced by specialized supplementary resources.
- Work with state or local officials, other federal agencies, or international agencies to maximize resources in identifying anticompetitive mergers and business practices, and to minimize, to the extent possible, burdens on enforcers and business and duplication of effort, and to avoid conflicting remedies.
- Track and maintain the timeliness of investigations and merger review under the HSR program.
- Refine the investigative and decisional tools used in both merger and nonmerger investigations through continuous learning.
- Identify emerging trends and focus on potentially anticompetitive business practices or other issues that need to be addressed because of changes in the economy, technology, and the marketplace, drawing upon the results of hearings, task forces, agency studies and reports, and other means.

- Continue to integrate e-government initiatives, such as electronic premerger filing, into mission activities.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Continue to improve the investigative skills and antitrust analysis training programs.
- Identify “best practices” used by government and private antitrust attorneys and use this knowledge in training FTC staff.
- Continue effective screening of mergers under the HSR program so that all reported mergers that raise potentially significant competitive issues undergo an appropriate investigation.
- Monitor the merger review process to determine if additional changes are needed to improve the effectiveness and efficiency of investigations.
- Continue to use and improve existing techniques for identifying anticompetitive business practices, such as (1) monitoring the trade press, (2) responding to and following up on case leads by Congressional offices, other Executive Branch agencies, and state and local governments, and (3) informing potentially aggrieved parties that they can lodge complaints with the agency by “getting FTC’s message out” through speeches to and electronic and other publications for consumer, bar, and business groups (including those representing specific industries), and general public outreach.
- Continue effective administration of the review of nonmerger practices so that the FTC may investigate those that raise potentially significant competitive issues.
- Apply to FTC practices the results of hearings, conferences, reports, studies, and workshops on significant competition issues.
- Continue discussions among attorneys in the FTC’s regional offices and in the nonmerger divisions on ways to improve techniques for monitoring business practices and for identifying anticompetitive practices.
- Collect data, for management review, regarding the FTC’s efficiency in conducting investigations, such as the amount of time required to complete the HSR review process, the number of HSR matters requiring issuance of an investigative second request, the number of HSR and significant nonmerger investigations that result in enforcement action, the number of hours of staff time spent on investigations, and other costs associated with investigations.

- Review significant deviations from the statistical benchmarks for timely and efficient review of merger transactions and take corrective action where necessary.

3. Five-Year Performance Measures

For each year 2006-2011:

- Track the number of enforcement actions undertaken in the competition mission and, separately, in the merger and nonmerger programs, including Commission authorization of a complaint for preliminary injunction or permanent relief in federal court, issuance of an administrative complaint, and acceptance of a consent agreement, and, for mergers, the parties' voluntary abandonment or restructuring of a proposed transaction based on FTC antitrust concerns.
- Continue effective administration of merger review under the HSR program so that at least 90% of HSR requests for additional information result in a positive outcome, which includes Commission authorization of a complaint for preliminary injunction in federal court, issuance of an administrative complaint, acceptance of a consent agreement, the parties' voluntary abandonment or restructuring of a proposed transaction based on FTC antitrust concerns, and closing of an investigation without subsequent events indicating that the transaction injured competition.
- In conjunction with the prior merger measure, and to facilitate evaluation of results, the FTC will also report the number of second requests issued each year, the number of reportable transactions for which premerger notifications were received each year, the number of HSR investigations each year that resulted in enforcement action, the number of transactions in which antitrust issues were resolved through voluntary abandonment or restructuring because of FTC concerns, and the number of investigations closed because the evidence indicated that a competitive problem was unlikely.
- Continue effective administration of the nonmerger program so that at least 90% of significant nonmerger investigations (those with at least 150 hours of investigative effort) will result in a positive outcome, which includes Commission authorization to file a complaint in federal court, issuance of an administrative complaint, acceptance of a consent agreement, resolution of antitrust concerns without enforcement action, or closing of an investigation without subsequent events indicating that the business practice injured competition.
- In conjunction with the prior nonmerger measure, and to facilitate evaluation of results, the FTC will also report the number of significant nonmerger investigations closed each year, with or without enforcement action.

Success on these measures will indicate that the FTC is effectively screening HSR-reported mergers and nonmerger investigations to identify those that raise significant antitrust issues and warrant further investigation and possible enforcement action. Setting high goals for positive outcomes from these investigations demonstrates the FTC's commitment to targeting its enforcement resources effectively. An unacceptably high percentage of negative outcomes, such as closing investigations that are later determined to raise significant antitrust issues, would result in an evaluation of the FTC's screening process used to identify potential competition problems and target investigatory resources.

4. Program Evaluations

- Assess markets where investigations were closed without enforcement action, explore whether outcomes remain positive over time, and use this information to enhance the agency's ability to predict likely competitive consequences in future investigations.
- If there was a failure to investigate a merger or business practice, known to the agency, that had a significant potential for causing competitive and consumer harm, assess whether there were factors that indicated the presence of a competitive problem that the agency should have reasonably been able to identify.
- Assess the burden imposed on merger parties by the HSR merger investigation process, explore ways of reducing that burden without compromising effectiveness of investigations, and explore methods of measuring HSR compliance burden.
- Assess the FTC's efficiency in conducting antitrust investigations, explore ways to increase efficient use of investigatory resources and reduce burdens on business, and explore whether efficiency in conducting investigations can more meaningfully be measured.

Objective 2: Stop anticompetitive mergers and business practices through law enforcement.

This enforcement objective includes both obtaining orders to stop anticompetitive activity (either through litigation or by consent) and ensuring that the remedies imposed by those orders are effective. Conduct that reduces competition is likely to cause consumers to pay higher prices or enjoy lower quality than they otherwise would. Antitrust enforcement provides substantial benefits to consumers by preventing anticompetitive mergers and other coordinated or unilateral conduct that is likely to lessen competition.

1. Strategies

- Continue to benefit consumers in markets involving billions of dollars in annual sales by challenging anticompetitive mergers and other nonmerger anticompetitive conduct, negotiating consent orders, and winning litigated orders, resulting in millions of dollars in consumer savings.
- Negotiate merger and nonmerger consent orders and win litigated orders that have significant remedial, precedential, and deterrent effects.
- Improve negotiation and litigation skills through continuous learning.
- Apply the merger process reforms to conduct investigations more efficiently, in order to enhance enforcement outcomes while minimizing burdens on business.
- Improve the FTC's capacity to promote consumer welfare by applying the information gained through workshops, hearings, and research projects that improve its understanding of significant antitrust issues.
- Retain outside experts and consultants in relevant fields of expertise, as needed, when enforcement outcomes would be enhanced by specialized supplementary resources.
- Continue to integrate e-government initiatives into mission activities.
- Ensure that administrative litigation and adjudication reach a timely resolution.
- Improve the integration of budget and performance by linking goals and objectives to results; develop improved processes for use and analysis of management data.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Challenge anticompetitive mergers and business practices in federal court or through administrative litigation, and obtain relief with significant remedial, precedential, and deterrent effects.
- Resolve anticompetitive mergers and practices, where possible, by negotiating consent orders that secure relief with significant remedial, precedential, and deterrent effects without the need for litigation.
- Retain outside experts and consultants in relevant fields of expertise, as needed, when enforcement outcomes would be enhanced by specialized supplementary resources.
- Continue to improve negotiation and litigation skills through training programs. Ensure that lead attorneys and managers collect any important lessons learned at the close of each significant negotiation and litigation and transmit them to appropriate personnel for incorporation in training programs and model pleadings.
- Continue to monitor implementation of divestitures and other requirements of the FTC's merger consent orders. Seek civil penalties where appropriate if a respondent fails to fulfill its obligations under an order in a timely fashion.
- Continue to seek improvements in both the substantive aspects of remedies, as well as the process by which they are derived.

3. Five-Year Performance Measures

For each year 2006-2011:

- Achieve a positive result (including consent orders, litigation victories, or, for mergers, transactions abandoned after recommendation of a complaint) in at least 80% of cases in which the FTC takes enforcement action.

The FTC measures the performance of its merger enforcement program in three ways:

- Over the five-year period 2006-2011, take action against mergers likely to harm competition in markets with a total of at least \$125 billion in sales. To meet this goal, the FTC will need to take action each year against mergers likely to harm competition in markets with an average total of \$25 billion in annual sales. Because external factors, such as the level of merger activity, may cause the results to fluctuate significantly from year to year, this performance goal is expressed in terms of an aggregate target for the five-year strategic plan period, rather than as a yearly target.

- Over the five-year period 2006-2011, save consumers an estimated \$2.5 billion through enforcement actions against mergers likely to harm competition in markets. To meet this goal, the FTC will need to save consumers an average of \$500 million per year. Because external factors, such as the level of merger activity, may cause the results to fluctuate significantly from year to year, this performance goal is expressed in terms of an aggregate target for the five-year strategic plan period, rather than as a yearly target.
- Achieve a level of consumer savings from merger enforcement over the five-year strategic plan period that is at least six times the amount of agency resources (in dollars of total resources) allocated to the merger program during that period. Because external factors may cause the results to fluctuate significantly from year to year, this performance goal is expressed in terms of an aggregate target for the five-year strategic plan period,

The FTC measures the performance of its nonmerger enforcement program in three ways:

- Over the five-year period 2006-2011, take action against nonmerger anticompetitive conduct in markets with a total of at least \$40 billion in annual sales. To meet this goal, the FTC will need to take action each year against anticompetitive conduct affecting markets with an average total of \$8 billion in annual sales. Because external factors may cause the results to fluctuate significantly from year to year, this performance goal is expressed in terms of an aggregate target for the five-year strategic plan period, rather than as a yearly target.
- Over the five-year period 2006-2011, save consumers an estimated \$400 million through enforcement actions against nonmerger anticompetitive conduct likely to harm competition in markets. To meet this goal, the FTC will need to save consumers an average of \$80 million per year. Because external factors may cause the results to fluctuate significantly from year to year, this performance goal is expressed in terms of an aggregate target for the five-year strategic plan period, rather than as a yearly target.
- Achieve a level of consumer savings from nonmerger enforcement over the five-year strategic plan period that is at least four times the amount of agency resources (in dollars of total resources) allocated to the nonmerger program during that period. Because external factors may cause the results to fluctuate significantly from year to year, this performance goal is expressed in terms of an aggregate target for the five-year strategic plan period, rather than as a yearly target.

These measures evaluate agency performance in several ways: the percentage of enforcement actions that have successful outcomes, the volume of commerce affected (benefitted) by merger and nonmerger enforcement action, the estimated dollar savings to consumers resulting from merger and nonmerger enforcement action, and the estimated dollar savings to consumers per dollar of enforcement resources. In the absence of case-specific information, the dollar savings to consumers is conservatively estimated as one percent of the

volume of commerce in the affected markets (for two years in merger cases and for one year in nonmerger cases). It is not intended as a precise estimate of consumer savings, but, rather, as an indication of general magnitude. A more precise estimate based on case-specific information will be used whenever possible. The use of a volume of sales performance measure does not mean that the FTC will only investigate and take enforcement action in markets with large sales volumes. The FTC will continue to investigate and take enforcement action as necessary in all markets where considerable consumer harm is likely. The benchmarks for the estimated dollar savings to consumers per dollar of enforcement resources for merger and nonmerger actions are based on historical experience, reflecting the different mix of cases and the different investigative and enforcement processes.

These measures will help guide the agency in challenging conduct that causes substantial consumer injury through targeting of its resources effectively and efficiently. These measures evaluate appropriate case selection and resolution, whether through litigation or settlement, as well as the crafting of sufficient and effective remedies.

4. Program Evaluations

- Assess the scope of the FTC's annual merger enforcement activities, as reflected by the volume of commerce in markets in which the agency took merger enforcement action. Determine whether the total volume of commerce in such markets is likely to reach \$200 billion over the five-year strategic plan period and determine whether the level of consumer savings is likely to reach \$4 billion. Compare the likely consumer welfare impact in these markets to the resources spent on the mission.
- Assess the scope of the FTC's annual nonmerger enforcement activities, as reflected by the volume of commerce in markets in which the agency took nonmerger enforcement action. Determine whether the total volume of commerce in such markets is likely to reach \$100 billion over the five-year strategic plan period and determine whether the level of consumer savings is likely to reach \$1 billion. Compare the likely consumer welfare impact in these markets to the resources spent on the mission.
- Assess qualitatively the deterrence value and precedential significance of the enforcement actions brought during each year.
- Conduct periodic retrospective studies of past investigative and enforcement activity to determine the extent to which the FTC's case selection process is accurately identifying matters that require FTC intervention.
- Evaluate litigation performance for lessons that may be applicable to future litigation.
- Review the results of major competition research initiatives to identify their usefulness in guiding FTC decisions and influencing other policymakers' approaches to competition issues.

Objective 3: Prevent consumer injury through education.

Educating consumers and businesses about competition law and policy is a critical part of the FTC's mission. Informing businesses and their legal advisers about potential antitrust violations deters anticompetitive mergers and anticompetitive business practices from being proposed and reduces businesses' cost of compliance. Educating consumers about their rights and their ability to bring violations to the FTC's attention reduces the cost of identifying anticompetitive conduct. Providing consumers and businesses with information about how antitrust enforcement benefits the common good also encourages cooperation with the FTC's investigations and enforcement actions.

1. Strategies

- Educate consumers and businesses about antitrust issues through traditional means such as guidelines, advisory opinions, reports, articles in professional or other publications, speeches, and participation in professional organizations.
- Educate consumers through detailed information regarding agency actions on the FTC Web site, and in press releases, reports, articles, and other publications.
- Educate businesses through detailed information regarding agency actions on the FTC Web site, and in press releases, reports, articles, and other publications.
- Continue to conduct and disseminate the results of public hearings, conferences, and workshops on practices and developments in the marketplace and the results of economic research on how markets operate.
- Continue to enhance avenues of communication with consumers and business, such as email and the FTC Web site.
- Ensure that the content of complaints, press releases, and analyses to aid public comment are "transparent," that is, that they explain in sufficient detail and with sufficient clarity the evidence and theory of a case, within the constraints of confidentiality requirements.
- Expand the use of other public statements to explain why the Commission elected *not* to take enforcement action in certain matters to further improve the public's understanding of the FTC's enforcement policies.
- Engage in outreach to lay groups such as schools to provide information about the work of the FTC and basic principles of economics and competition.
- Engage in outreach to foreign competition agencies to facilitate the agency's efforts to promote convergence toward sound consumer-welfare-based competition enforcement and policy.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Issue guidance to help businesses understand and comply with the application of the antitrust laws in certain areas, such as horizontal mergers, international operations, intellectual property, and health care.
- Continue to provide Commission and staff advisory opinions on various competition issues; continue to provide guidance in response to informal requests, particularly concerning HSR matters.
- Monitor the content of complaints, press releases, and analyses to aid public comment to ensure they are “transparent,” that is, that they explain in sufficient detail and with sufficient clarity the evidence and theory of a case, within the constraints of confidentiality requirements.
- Expand the use of press releases and other public statements to explain why the Commission elected *not* to take enforcement action in certain matters to further improve the public’s understanding of the FTC’s enforcement policies.
- Make available prepared texts of speeches and develop other materials that explain FTC policies and procedures.
- Continue to have Commissioners and staff speak at and participate in seminars, panel discussions, and conferences to explain how the FTC analyzes mergers and other business practices.
- Make available to the public the materials relating to public hearings, conferences, and workshops on practices and developments in the marketplace, including transcripts, written submissions, and reports.
- Make available on the FTC’s Web site the guidance issued by the FTC, advisory opinions, advocacy comments, written releases, texts of speeches, Bureau of Economics reports, and other materials that explain the FTC’s policies and procedures.
- When opportunities arise, engage in outreach to lay groups to provide information about the work of the FTC and basic principles of economics and competition.
- Engage in outreach to foreign competition authorities and international competition organizations.

3. Five-Year Performance Measures

For each year 2006-2011:

- Track volume of traffic on the FTC Web site on antitrust-related pages that are relevant to policymakers, the business and legal communities, and the public at large.
- Track the number of times external print media, such as newspapers, magazines, business and trade journals, and professional journals, publish articles that refer to FTC competition activities and the circulation of the media that publish those articles.

Successful outreach and education efforts, as reflected by the above measures, will help consumers because increased knowledge and understanding of the antitrust laws will help businesses stay in compliance. These measures also will help ensure that the agency engages in consumer, business, and international education that advances the culture of competition, which enhances consumer welfare.

4. Program Evaluations

- Evaluate what antitrust content on the FTC Web site generates the largest amount of public interest, and why, and use this information in setting future priorities.
- Seek input from consumer groups, business groups, bar groups, international competition organizations, and other FTC “customers” on the effectiveness of FTC educational efforts.
- Evaluate the transparency of FTC merger review policy by assessing the extent to which significant changes in such policy are communicated to stakeholders.

Objective 4: Enhance consumer welfare through research, reports, advocacy, and international cooperation and exchange.

In addition to its enforcement authority, the FTC has unique jurisdiction to gather, analyze, and make public certain information concerning the nature of competition as it affects U.S. commerce. The FTC uses that authority to hold public hearings, convene conferences and workshops, conduct economic studies on competition issues of significant public importance, and issue reports of its findings. This authority advances the competition mission in numerous ways.

The agency uses the information internally to refine the theoretical framework for analyzing competition issues and the empirical understanding of industry practices, which contributes substantially to an effective response to changing marketplace conditions. The information gained through this authority, combined with the agency's professional expertise on competition issues, also contributes to a better understanding of business practices and their competitive and economic implications by various entities, including the business sector, the legal community, other enforcement authorities, the judiciary, foreign competition agencies, and governmental decision makers and policymakers at the federal, state, and local levels. In particular, the agency testifies before Congress on competition issues. The FTC uses its expertise to encourage governmental actors at all levels to evaluate both the costs and the benefits of their policies for consumers, and to ensure such policies promote consumer welfare. This advocacy includes formal and informal dialogue with state and federal policymakers and amicus curiae briefs filed with state and federal courts. Dialogue with competition authorities of other countries and international organizations, and, in some cases, technical assistance to other competition authorities, promotes procedural consistency and the adoption of competition policies that protect and enhance consumer welfare, which ultimately will accrue to the benefit of American consumers as well as those in other countries.

1. Strategies

- Conduct public hearings, conferences, and workshops that bring together interested parties to enhance understanding of various practices and developments in the marketplace.
- Conduct studies as requested by Congress and other studies as appropriate.
- Conduct economic studies of the effects of business actions on competition and consumer welfare in accordance with agency data quality standards, as applicable, to ensure the quality of information that may be disseminated publicly.
- Target advocacy activities to encourage state, federal, and foreign government policymakers to evaluate both the costs and the benefits of their policies for consumers, emphasizing the impact on consumers of policies that unnecessarily restrict competition.

- File amicus curiae briefs with state and federal courts deciding important competition policy issues urging them to adopt legal rules that benefit consumers by promoting competition.
- Participate in dialogue with competition authorities of other countries and international organizations on trans-national competition issues that affect American consumers and businesses and to promote sound consumer-welfare-based competition policy.
- Participate in technical assistance missions to countries with new competition regimes.

2. Year-by-Year Implementation Plans, FY 2006-2011

Each year the agency will work to:

- Conduct hearings, conferences, and workshops on significant competition issues.
- Continue to support outreach efforts to international bodies to explain U.S. antitrust perspectives on competition theories and approaches; participate in dialogue with competition authorities of other countries and international organizations on trans-national competition issues that affect American consumers and businesses; continue to aid the development of antitrust laws and programs in developing nations by participating in technical assistance missions.
- File comments or otherwise engage in advocacy with state, federal, and foreign government policymakers to encourage them to adopt policies that maximize consumer welfare by evaluating both the costs and the benefits of their policies for consumers.
- Prepare amicus briefs addressing important competition policy issues under consideration in court proceedings.

3. Five-Year Performance Measures

For each year 2006-2011:

- Track volume of traffic on the FTC Web site pages relating to research, reports, advocacy, and international cooperation and exchange.
- Convene, or participate substantively in, at least 20 workshops, conferences, seminars, and hearings involving significant competition-related issues over five-year period.
- Issue at least 40 studies, reports, working papers and issues papers on significant competition-related issues over five-year period.

- Make at least 30 advocacy filings with other federal and state government agencies urging them to assess the competitive ramifications and costs and benefits to consumers of their policies over five-year period.
- Issue at least 12 advisory opinions to persons seeking agency review of proposed business actions over five-year period.
- File at least 12 amicus briefs with courts addressing competition-related issues over five-year period.
- Track the number of cases on which the agency cooperated with a foreign competition authority, the number of consultations with or comments to foreign competition authorities on competition issues, the number of written submissions to international fora on competition issues, the number of international events attended to discuss competition issues, and the number and level of leadership positions held by FTC staff in international competition organizations.

These measures will help ensure that the agency is engaging in appropriate types and sufficient levels of research, reports, advocacy, and international cooperation and exchange to ensure that they are relevant to consumers, policymakers, business, and the legal community.

4. Program Evaluations

- Include evaluation forms with workshop and conference materials to help assess whether the workshops and conferences are an effective means of joining the debate relating to these issues.
- Seek input from consumer groups, business groups, bar groups, international organizations, and others on the value of the agency's research, reports, advocacy submissions, and international activities relating to the competition mission.
- Evaluate whether the FTC is filing comments or otherwise engaging in advocacy with state, federal, and foreign government bodies on competition policies that will have a significant impact on consumers and whether the recipients of these comments have given weight to the views expressed in these comments in making policy decisions that affect consumers.

Factors Affecting the Achievement of Goals

The FTC is a small agency that has had great success using a variety of strategies and tools to leverage its resources and achieve its two strategic goals to (1) Protect Consumers, and (2) Maintain Competition. The FTC's dynamic enforcement, education, research, and advocacy approach positions the agency to respond effectively and efficiently to the rapid changes occurring in many sectors of the economy. The agency continually reviews law enforcement policies, targets law enforcement actions and education campaigns to prevent the most egregious consumer harm in the most efficient and effective manner possible, and modifies or eliminates orders and regulations that place unwarranted burdens on business. Policy research and development activities that refine the FTC's theoretical framework or its empirical understanding of industry practices contribute substantially to an effective response to changing marketplace conditions.

Addressing the broad array of challenges facing the FTC in achieving both of its strategic goals rests on the recruitment, hiring, training, motivating, and retaining of qualified attorney, economist, paralegal, litigation support, information technology, and administrative staff. In addition, resources must be available to provide technological support to law enforcement and education initiatives, as well as performance-enhancing technologies that facilitate the transparent and accountable management of all resources. This requires the FTC to put in place processes for timely introduction, upgrade, and replacement of technologies. Investigation and litigation activities also require that funds be available for travel, experts, witnesses, and administrative support services. A qualified staff, adequate funding, and an organizational culture that values state-of-the-art market thinking, communication, and accountability will lead to the achievement of the FTC's strategic goals and objectives.

Strategic Goal 1: Protect Consumers

Recent news reports about data security breaches have heightened public awareness about the importance of safeguarding sensitive consumer information. Data security is one of several areas of concern to the FTC in its work to protect consumers' privacy and combat identity theft. The FTC must have resources to address the misuse of consumers' sensitive information and help consumers protect their privacy and identities.

New and expanding technologies present challenges for the FTC. The agency is working on matters involving spam, spyware and unauthorized adware, peer-to-peer file sharing, and "phishing" to help protect consumers in the high-tech marketplace. Attacking telemarketing and business opportunity fraud continues to be a challenge and a priority, as does protecting consumers from more traditional scams that have found new life on the Internet, including pyramid schemes and health-related fraud. The Internet has become an especially fertile ground for scam artists, who can reach vulnerable consumers easily and cheaply online and immediately access both a national and an international marketplace. The FTC must put forward a long-term strategic vision to ensure that it keeps pace with new technologies while continuing to address traditional and known fraudulent practices facing consumers in the marketplace.

In the consumer protection area, the FTC works with foreign agencies on investigations and cases that affect U.S. consumers. Given the rise in consumer complaints involving cross-border fraud that has occurred over the last several years, the FTC must continue to bring cases with international components. During FY 2005, the FTC released a report on proposed legislation, the US SAFE WEB Act, that would improve the FTC's ability to combat cross-border consumer protection law violations, particularly violations involving spam and spyware. This legislation will give the FTC new tools to tackle cases with an international component. Meeting the challenges of the global marketplace and forging partnerships with international parties are critical to meet this strategic goal. Through cooperation with foreign consumer protection agencies and participation in international organizations, the FTC can engage in cooperative foreign law enforcement actions and develop policies that promote consumer choice in the international marketplace.

The agency will continue to target its efforts based on the analysis of consumer complaint data that it gathers. FTC databases – including Consumer Sentinel, Identity Theft Data Clearinghouse, Consumer Information System, and spam database – enable the agency and its law enforcement partners to detect trends and problems that involve fraud as they occur. The FTC's prospective challenges include maintaining a rich array of data, ensuring that its systems are fully used by the agency and its law enforcement partners, and ensuring that the information it collects is reliable. The FTC also continually strives to identify new methods of mining this data and sharing the results in innovative ways to assist its law enforcement partners. These efforts bear fruit in the cases brought by the FTC and other law enforcement agencies who have access to this data. It is critical to the achievement of this goal that resources be available to maintain and update these databases and data-mining capabilities.

Strategic Goal 2: Maintain Competition

As with the Consumer Protection Mission, the FTC monitors the marketplace for issues that may harm competition and, as a consequence, consumers. In the current economy, companies are restructuring and merging, seeking new ways to market both new and old products to a growing consumer market. During the 1990s, the number of mergers reported to the FTC tripled, and the dollar value of commerce affected by those mergers increased eleven-fold. While merger activity has eased considerably since 2000, and the number of reportable transactions was reduced by a statutory change to the Hart-Scott-Rodino Premerger Notification Program in 2001, recent trends suggest a renewed upward trajectory in merger activity that includes an increasing number of particularly complex transactions. The total dollar value of reportable transactions roughly doubled between 2002 and 2005, with a smaller, but still substantial, increase in the number of reportable transactions. The number of merger filings has a direct impact on the FTC's resources allocated to this goal. A large increase in filings can drain resources from nonmerger activities and affect the agency's performance in achieving this goal.

The continuing transition to a knowledge-based economy from a primarily manufacturing-based economy highlights important questions about the relationship between the

antitrust and intellectual property laws. Continuing technological developments and regulatory reform in certain industries are resulting in competition supplanting regulation as the primary means of protecting consumers' interests in some markets. Separately, the restructuring of financial markets is raising concerns about the privacy of personal financial information. These important concerns must be addressed by the agency to help maintain competition in the marketplace.

In addition, the increasing globalization of commerce and communications also affects the FTC's achievement of its strategic goals. More merger investigations involve companies with international ties, and more consumer fraud is being perpetrated across international borders, requiring cooperation with foreign authorities to resolve concerns. When appropriate, the FTC also helps foreign authorities with technical assistance. Changing technology, globalization, and increased complexity mean that many FTC decisions occur under conditions of significant uncertainty. Research, workshops, and hearings that refine the FTC's theoretical framework or its empirical understanding of industry practices can increase its ability to promote consumer welfare. Health care quality, petroleum pricing, e-commerce, and intellectual property are just a few of the topics on which the FTC will seek to develop a significant knowledge base to guide future decisions.

Finally, because antitrust enforcement no longer stops at U.S. borders, the agency must continue its work in the international arena. Today, more than 100 governments enforce various sets of competition laws, and that number continues to grow. Because of the continued growth of commerce beyond national boundaries, these different antitrust enforcement authorities increasingly overlap and intersect. Inconsistencies and diverse requirements increase the costs faced by firms that seek to combine assets or businesses, establish distribution channels, or pursue other business arrangements. This includes both the cost to comply with different regulatory mechanisms and the risk of differing outcomes. Thus, the current growth and diversity in antitrust enforcement mechanisms can interfere with the common goal of promoting a competitive economy. The FTC will continue to work with various international groups to increase the procedural and substantive convergence of merger oversight authorities throughout the world. The FTC also will broaden and deepen its cooperation with international agencies on individual cases and antitrust policy issues to better carry out its responsibilities under this strategic goal. In addition, the FTC will continue to consider tools to address exceptional situations in which agencies ultimately differ in how they propose to handle a particular case.

Evaluation Plans

To prepare for the update of the FTC's strategic plan, the Office of the Executive Director joined with the Office of Policy Planning to form an Executive Committee of senior agency managers from the primary bureaus and offices to evaluate the current plan and provide guidance on the Chairman's goals and policy initiatives. The Executive Committee advised the agency's long-standing Government Performance and Results Act (GPRA) Committee and reviewed the plans for the two strategic goals. The draft plan will be submitted to agency stakeholders and the Office of Management and Budget (OMB) for comment. The Chairman and Commissioners will review and approve the final strategic plan. In addition, the Chairman's Office led the agency's annual review of its activities and policies and issued a report, "The FTC in 2006: Committed to Consumers and Competition," which was used in part to frame the evaluation of the strategic plan.

An important goal of the FTC is to implement good management practices and internal controls to ensure that its human, financial, technological, and other resources are well-managed and wisely used. The agency engages in rigorous internal review of its program and law enforcement efforts. The FTC's 2006-2011 Strategic Plan includes the program evaluations slated for each strategic goal by objective. Many of these evaluations will be independently conducted by the FTC's Bureau of Economics and Office of Policy Planning, Office of the Inspector General (OIG), and the Government Accountability Office, as appropriate. In addition, the FTC looks to evaluations of its programs and initiatives by outside groups for additional independent views of its activities. As in the past nine years, the FTC will continue to undergo an annual financial audit, which includes tests of internal control and compliance with laws and regulations, conducted by independent auditors under contract to the OIG. The OIG also audits other FTC activities on a regular basis.

The FTC's strategic plan is being developed concurrently with its first OMB Program Assessment Rating Tool (PART) evaluation. This gives the FTC the opportunity to ensure that the strategic plan includes the factors required under the OMB program. For example, the FTC missions are developing new performance and efficiency measures for inclusion in the strategic plan and FY 2008 budget request to better capture the high level of agency performance. The agency will continue to use the PART guidance to assess its program over the period of the strategic plan.

GPRA Stakeholders

Congressional Committees and Subcommittees

Senate Committee on Appropriations

Senate Appropriations Subcommittee on Commerce, Justice and Science

House Committee on Appropriations

House Subcommittee on Science, State, Justice and Commerce and Related Agencies

Senate Committee on Commerce, Science and Transportation

Senate Subcommittee on Consumer Affairs, Product Safety and Insurance

House Committee on Energy and Commerce

House Subcommittee on Commerce, Trade and Consumer Protection

Senate Judiciary Committee

Senate Subcommittee on Antitrust, Competition Policy and Consumer Rights

House Judiciary Committee

Senate Committee on Small Business and Entrepreneurship

House Committee on Small Business

Senate Committee on Homeland Security and Governmental Affairs

House Committee on Government Reform

Senate Committee on Banking, Housing and Urban Affairs

House Committee on Financial Services

Senate Special Committee on Aging

Federal and State Agencies

Consumer Product Safety Commission

Chairman

Council of Economic Advisors

Chairman

GPRA Stakeholders

Department of Agriculture
Agriculture Marketing Services
Administrator

Department of Commerce
General Counsel

Department of Defense
General Counsel

Department of Health & Human Services
Food & Drug Administration
Commissioner

Department of Homeland Security
Privacy Office, Chief of Staff

Department of Justice
Antitrust Division
Assistant Attorney General

Department of Justice
Civil Division, Consumer Litigation Section
Assistant Attorney General

Department of the State
U.S. Agency for International Development
Administrator

Department of Justice Criminal Division
Assistant Attorney General

Environmental Protection Agency
Administrator

Federal Bureau of Investigation
Executive Assistant Director, Administration

Federal Communications Commission
Chairman

GPRA Stakeholders

Federal Energy Regulatory Commission
Chairman

Federal Reserve Board
Chairman

National Association of Attorneys General
Chair, Antitrust Committee
Chair, Consumer Protection Committee

National Economic Council
Director

Office of Management and Budget
Director

Securities and Exchange Commission
Chairman

U.S. Postal Inspection Service
Chief Postal Inspector

U.S. Secret Service
Director

Inter-governmental Organizations

Asia - Pacific Economic Corporation
President & CEO

Inter-American Development Bank
President

Organization for Economic Cooperation and Development
Committee on Consumer Policy, Privacy, and Information Security
Committee on Competition

World Bank
Executive Director

GPRA Stakeholders

Private Organizations

AARP
President

AEI-Brookings Joint Center for Regulatory Studies
Executive Director

American Bar Association Antitrust Section
Chairman

American Bar Association Section of International Law and Practice
Chairman

American Advertising Federation
President & CEO

American Antitrust Institute
President

American Association of Advertising Agencies
President & CEO

American Association of Motor Vehicle Administrators
President & CEO

American Chamber of Commerce in Belgium - EU Committee
Managing Director

American Chamber of Commerce in China
President

American Chamber of Commerce in Korea
President

American Chamber of Commerce in Japan
President

American Electronics Association
Senior Vice President, Domestic Policy

GPRA Stakeholders

American Savings Education Council
Chairman

Association of Food and Drug Officials
President

Business Roundtable
Executive Director

Center for Democracy and Technology
Executive Director

Center for Science in the Public Interest
Executive Director

Competitive Enterprise Institute
President

Consumer Data Industry Advisory Council
Director of Government Relations

Consumer Electronics Association
President and CEO, General Counsel

Consumer Federation of America
Executive Director

Consumers Union
Director

Council of Better Business Bureaus
Vice President

Direct Marketing Association
President & CEO

Direct Selling Association
President

Electronic Privacy Information Center
Executive Director

GPRA Stakeholders

Electronic Retailing Association
President & CEO

E-Mail Senders and Provider Coalition
Public Relations

Federal Bar Association
Chairman & Vice President for the Circuits

Financial Services Roundtable
Executive Director and General Counsel

Grocery Manufacturers of America
President

Hispanic National Bar Association
President

Interactive Services Association
Executive Director

Information Technology Association of America
President

Information Technology Industry Council
Manager of Communications

International Bar Association
Chairman

Internet Alliance
Executive Director

Internet Corporation for Assigning Names and Numbers
Chairman

Internet Law and Policy Forum
Executive Director

International Association of Privacy Professionals
Executive Director

GPRA Stakeholders

The Jumpstart Coalition for Personal Financial Literacy
President and CEO

League of United Latin American Citizens
National Executive Director

National Association of Consumer Agency Administrators
Executive Director

National Association of Manufacturers
President

National Bar Association
President

National Consumers League
Communications Director

National Federation of Independent Businesses
President

National Fraud Information Center
Communications Director

National Retail Federation
Senior Vice president of Government Relations

NetCoalition.com
Executive Director

North American Securities Administrators Association
Acting Executive Director & Controller

Privacy Rights Clearinghouse
Director

Public Voice for Food & Health Policy
Board Chairman

Software and Information Industry Association
President

GPRA Stakeholders

Transatlantic Business Dialogue
Executive Director

U.S. Chamber of Commerce
President & CEO

U.S. Council for International Business
Senior Vice President

U.S. Hispanic Chamber of Commerce
President & CEO