
State of the Net



Lightning Talk

FTC Authority Over AI: Looking Back at 2024

#SOTN2025



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TECHFREEDOM
LAW FOR A DYNAMIC FUTURE

State of the Net



Federal Trade Commission Authority

- “**Unfair methods of competition** in or affecting commerce, and **unfair or deceptive acts or practices** in or affecting commerce, are hereby declared unlawful.”
 - FTC Act Sec. 5(a)(1), 15 U.S.C. § 45(a)(1)

FTC Authority over AI

- **“There is no AI exemption from the laws on the books.”**
- Investigative Authority; Enforcement Authority; Rulemaking Authority

Staff Report on AI Partnerships & Investments

- FTC Investigative authority applied to AI
 - Presents findings from 6(b) study on three generative AI partnerships
 - Microsoft-OpenAI
 - Amazon-Anthropic
 - Google-Anthropic
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Operation AI Comply

- FTC enforcement authority applied to AI
 - Crackdown on Deceptive AI Claims and Schemes
 - Deceptive AI = “Using AI tools to trick, mislead, or defraud people” - (Former) Chair Khan
 - Five enforcement actions
 - DoNotPay = deceptive claims about “AI Lawyer” service
 - Rytr = selling/advertising AI “writing assistant” to generate fake consumer reviews
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AI-Related Rulemakings

- FTC rulemaking authority applied to AI
- 16 CFR 461: Impersonation Rule
- 16 CFR: Trade Regulation Rule on Commercial Surveillance and Data Security

Looking Forward

- Biden-Era FTC (2020-2024)
 - Chair Khan
 - Democrat majority
 - Privacy & algorithmic fairness
 - Anti Big-Tech
- 2025
 - Chair Ferguson
 - Republican majority
 - “Balance,” do not “strangle this nascent technology in its cradle”
 - Still anti Big-Tech