

United States Senate

October 18, 2012

The Honorable Jon Leibowitz
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

Dear Chairman Leibowitz:

As a Senator who has spent the past several months visiting technology businesses and startups, meeting with entrepreneurs, and exploring new technologies, I have learned regulatory uncertainty is a threat to business formation and growth. For this reason, I write to stress that any actions, including enforcement actions, by the Federal Trade Commission (FTC) must be done carefully and in a manner that recognizes the technology sector is an engine of growth for the American economy – one that is extremely competitive, quickly-evolving, and that offers consumers variety and choice.

The Internet economy remains a bright spot of the American economy and one that has contributed considerably to job creation in recent years. According to a report by the Boston Consulting Group from March 2012, the Internet economy accounted for 4.7 percent of the United States' Gross Domestic Product growth in 2010. The report also found that by 2016, the Internet economy will reach \$4.2 trillion in the G-20 economies, which would make it the world's fifth largest economy if it were a national economy.

Additionally, the Internet economy has created 2.6 jobs for each job lost to technology-related efficiencies according to a May 2011 McKinsey Global Institute report. Perhaps one of the best examples of technology creating jobs was examined in a TechNet report from March 2012, which found that the "App Economy" – an economy that did not even exist until 2007 – is responsible for nearly half a million jobs in the United States and generated almost \$20 billion in revenue in 2011.

The technology sector is an important piece of the American economy, one that drives innovation in every other sector. While our nation has traditionally lead the world in technological innovation, the United States now faces increasing competitive pressure from other countries: there is fierce competition to attract the world's best and brightest; theft of intellectual property remains an issue for many American companies, entrepreneurs and artists; and our country's crippling debt remains a major challenge for the future. Amidst this increasing

international competition, the last thing the American economy needs is one more barrier that makes the United States a less attractive place to start a business.

For all of these reasons, I request that you and your fellow Commissioners remain conscious of the Commission's statutory authority and fully consider the potential impact of any actions the Commission may take. The more time and resources technologists and entrepreneurs spend complying with government regulations or attempting to predict an uncertain regulatory future, the less time and resources they have to develop products and services, pursue success, and put Americans to work.

Consumers have more options and choices online than ever before – a result of a robust and competitive marketplace of technological advancement, investment, and economic growth. I encourage the Commission to remain focused on addressing concrete consumer harms and take into consideration the impact of their decisions on innovation, entrepreneurship, and the economy.

Very truly yours,

Jerry Moran

Jerry Moran
United States Senator