

## Press Release



# FTC Expands Interpretation of Its Authority to Challenge Unfair Methods of Competition

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The Federal Trade Commission (FTC) recently published a policy statement broadening the agency's interpretation of its authority to challenge "unfair methods of competition" under Section 5 of the FTC Act, signaling a monumental shift in enforcement policy. In a new insight, Competition Economics Analyst Fred Ashton explains why this new policy risks the FTC's enforcement credibility and would harm businesses by leaving them without clear guidelines of acceptable practices.

### Key points:

- The FTC's interpretation of its authority to challenge unfair methods of competition reflects the Biden Administration and the FTC's commitment to a more aggressive antitrust enforcement regime.
- Many of the policies outlined in the agency's statement directly conflict with previously issued guidance on Section 5 enforcement and abandon the long-held consumer welfare standard in favor of a focus on "fairness" for small businesses.
- The vagueness of what the FTC deems as "unfair" leaves business vulnerable to costly investigations, and it is unclear whether the courts will accept this expanded authority.

[Read the analysis](#)