

## Press Release



# Op-Ed: The \$5 Billion Facebook Fine Threatens to Expand Government Power Massively

ALLISON EDWARDS | AUGUST 2, 2019

While both Republican and Democratic lawmakers have criticized the Federal Trade Commission's (FTC) \$5 billion settlement with Facebook as too lenient, criticisms of the settlement are off-base, argues AAF's Director of Technology and Innovation Policy Will Rinehart in an op-ed published today in Morning Consult. The settlement — which includes both behavioral requirements and the largest fine ever levied — is in reality a big regulatory win that fundamentally changes the relationship between the government and tech companies.

An excerpt:

Given the weakness of its case, the FTC settled with Facebook for significantly less than the maximum possible damages — and Facebook rationally accepted the fine rather than risk paying far more after a trial. Settling also allowed the FTC to preserve its power: Going to trial with a case against Facebook would have risked a ruling that that could [diminish the FTC's broad authority](#). But the result is that the FTC both expands its powers and demonstrates that it is capable of leveraging flimsy legal arguments to extract huge fines.

Because there isn't much settled law in this space, the FTC has limited constraints from the courts, and a \$5 billion fine only extends that power. Some want the agency to act more aggressively. But what's more aggressive than a historic fine and a rash of new controls without a clear explanation of how consumers were harmed — all creating a precedent for similar overreaches in the future?

[Read the full op-ed.](#)