

Press Release

Primer: The FTC and Magnuson-Moss Rulemaking

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The Federal Trade Commission (FTC) has the authority to issue industry-wide regulations but must go through what is known as Magnuson-Moss rulemaking, which is more exacting than traditional rulemaking under the Administrative Procedure Act. In a new primer, Director of Regulatory Policy Dan Bosch explains the Magnuson-Moss process, recent changes to that process by the FTC that may undermine transparency and fairness, and the ongoing debate over the procedures' application.

Key points:

- Congress required the FTC to follow extra steps under the Magnuson-Moss rulemaking process after a series of unpopular rules from the agency in the 1970s.
- To date, the process has worked as intended as the agency has relied on case-by-case enforcement rather than sweeping regulation.
- New leadership at the FTC, in order to expand its commissioners' influence over rulemaking, has changed its internal rules and appears poised to eschew Magnuson-Moss rulemaking in order to pursue more broad-based rulemaking—particularly regarding unfair methods of competition.

Read the analysis