



July 31, 2026

Re: Proposed Policy Statement Concerning the Suppression of Accuracy in Artificial Intelligence Systems, Docket no. FTC-2026-0859

Submitted via Regulations.gov

Dear Chair Ferguson and Commissioners:

Consumer Federation of America (CFA) appreciates the opportunity to comment on the Federal Trade Commission's proposed policy statement regarding artificial intelligence.

The proposed policy statement should be withdrawn in its entirety. This statement represents an unprecedented and legally unsupported attempt to expand the Commission's authority beyond the powers Congress granted it. It also undermines the FTC's credibility as an independent agency by aligning the Commission with a political agenda rather than its statutory mission.

CFA strongly supports a vigorous FTC that uses the authorities Congress has provided to protect consumers. Section 5 of the FTC Act is a critical tool to hold companies that deceive consumers about their AI products or engage in unfair practices accountable.¹

This proposal, however, exceeds and undermines that essential authority. Subjectively policing AI outputs and identifying them as deceptive when they conflict with a political agenda continues the transformation of the FTC from an independent protector of consumers and free markets to an ideological shell.

The Commission's assertion that Section 5 may preempt state AI laws is another troubling overreach. The FTC Act contains no express preemption provision applicable here, a fact the policy statement itself acknowledges before asserting implied preemption. Elected representatives in Congress are the sole determiners of when an agency can override state law, asserting otherwise in a non-binding policy statement that could then become the basis of court decisions is a clear attempt to exceed the Commission's statutory authority. There is a reason why proposals in Congress (the only people with the power to actually override state law) that attempt to achieve the same ends have repeatedly and decisively failed— it's unpopular, unreasonable, and the last thing we should be doing on AI right now.²

¹ See, e.g., Federal Trade Commission, *FTC Reopens and Sets Aside Rytr Final Order in Response to the Trump Administration's AI Action Plan*, (Dec. 22, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-reopens-sets-aside-rytr-final-order-response-trump-administrations-ai-action-plan>; Consumer Federation of America, *CFA Statement on the FTC's Corporate Pardon of Rytr, Who Facilitates AI-Generated Fake Reviews at Scale* (Dec. 23, 2025), <https://consumerfed.org/news/press-releases/cfa-statement-on-the-ftc-s-corporate-pardon-of-rytr-who-facilitates-ai-generated-fake-reviews-at-scale/>

² See, e.g., Institute for Family Studies, *New Poll Shows Americans Overwhelmingly Oppose Federal Preemption of State AI Regulations* (Nov. 21, 2025), <https://ifstudies.org/press-release/new-poll-shows-americans-overwhelmingly-oppose-federal-preemption-of-state-ai-regulations>



Rather than weakly attempt to carry out the political whims of tech companies and people in the White House, the FTC has a full slate of work to do to protect people at a time when AI is making scams easy,³ making customer service calls impossible,⁴ facilitating fake ads for products,⁵ making unauthorized deepfakes,⁶ and pretending to be therapists or lawyers.⁷ The FTC is incredibly important right now, and its time and energy should be used to police an industry that is dishonest and reckless, not enable a legal defense for abhorrent behavior.⁸

Finally, we urge the Commissioners to work with the Administration and Congress to restore the FTC's bipartisan, independent character, consistent with the structure Congress established. The FTC Act provides that the Commission "shall be composed of five Commissioners," with "not more than three" belonging to the same political party. The unprecedented removal of Commissioners Rebecca Kelly Slaughter and Alvaro Bedoya has raised serious concerns regarding the Commission's independence and has diminished public confidence in its ability to carry out its consumer protection mission free from political influence. Restoring the Commission's bipartisan structure would strengthen its legitimacy and reinforce public confidence in the agency's work.

Instead of pursuing this legally unsupported policy statement, the Commission should continue focusing its enforcement resources on genuine consumer harms. The FTC should aggressively investigate and prosecute AI companies that make false or misleading claims about their products, fail to honor privacy commitments, or engage in unfair practices.

Respectfully Submitted,

Ben Winters
Director, AI and Privacy
bwinters@consumerfed.org

Emily Peterson-Cassin
Director, Competition and Market Fairness
epetersoncassin@consumerfed.org

³ Consumer Federation of America, *Testimony of Ben Winters Before U.S. Senate Committee on Aging Hearing: The AI Deception Machine*, (Jul. 29, 2026), <https://consumerfed.org/news/testimony-comments/testimony-of-ben-winters-before-us-senate-committee-on-aging-hearing-the-ai-deception-machine/>

⁴ Kevin Williams, 'I hate customer-service chatbots': The consumer-AI refund relationship is off to a rocky start, CNBC (Apr. 1, 2026) <https://www.cnbc.com/2026/04/01/ai-chatbot-customer-service-complaints-refunds.html>

⁵ Arijeta Lajka et al, *The Fake Influencers Selling Wellness on Your Feed*, The New York Times (Jul. 21, 2026) <https://www.nytimes.com/video/technology/100000011001849/ai-influencers-health-supplements-fake-ads.html>

⁶ Enough Abuse, *Sexual Deepfakes: The Dangers of AI-Generated CSAM*, (May 18, 2026) <https://enoughabuse.org/sexual-deepfakes-the-dangers-of-ai-generated-csam/>

⁷ Jon Reed, *AI Chatbots Posing as Therapists Give Worse Advice the More You Talk to Them*, CNET (Jan. 23, 2026) <https://www.cnet.com/tech/services-and-software/ai-chatbots-posing-as-therapists-give-worse-advice-the-more-you-talk-to-them/>

⁸ Marc Levy and Barbara Ortutay, *Elon Musk's xAI sues Minnesota over its first-in-the-nation law banning 'nudification' technology*, Associated Press (Jul. 29, 2026)