

Center for Regulatory Effectiveness

1823 Jefferson Place, NW
Washington, DC 20036

August 18, 2019

Chairman Walter Clayton, III
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Chairman Joseph Simons
Federal Trade Commission
600 Pennsylvania Avenue
Washington, DC 20580

RE: Regulation of Social Media by a Self-Regulatory Organization with Federal Oversight

Dear Chairman Walter Clayton and Chairman Joseph Simons:

I am [proposing](#) a program to regulate the social media which would allow federal oversight of social media organizations but does so in a way that permits the incorporation of continuing technological advances into the resultant regulatory paradigm.

Recently there was an international teleconference of leading regulators including regulatory officials from the FTC, SEC, UK and Canada. One focus of the teleconference was a proposal to establish a government sponsored Self-Regulatory Organization(SRO), similar to that utilized by the SEC to regulate the broker dealer industry, called the Financial Industry Regulatory Authority, FINRA. FINRA allows federal regulators to benefit from the immense technical expertise of the financial industry at no cost to government regulators but at the same time establish and implement the necessary regulatory paradigm.

I propose that the FTC and SEC establish an exploratory committee to assess the merits of establishing a self-regulatory organization which they would manage jointly to regulate the social media. In that both the FTC and the SEC have considerable existing regulatory authority over the social media, many if not most of the resultant recommendations could be implemented at this time without the passage of additional legislation. Consequently after the SRO is established and has some operating experience any void in the requisite enabling authority could be addressed at that time.

Respectfully,



[Jim Tozzi](#)

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