

Administration of Joseph R. Biden, Jr., 2024

Remarks Prior to a Meeting of the White House Competition Council

March 5, 2024

The President. Everybody, how are you? Please.

Consumer Financial Protection Bureau Director Rohit Chopra. Good afternoon.

Whether it's a credit card bill, internet bill, grocery bill, or anything else in a monthly budget, President Biden has been focused on promoting competition, lowering costs, and stopping profiteering.

Today we're taking action to stop excessive fees in the banking industry. We're closing a loophole abused by the credit card industry for years to harvest billions of dollars in junk fees, reducing the typical late fee from \$32 down to \$8, saving Americans an estimated \$10 billion each year.

And this is in addition to so many other actions the President is announcing today to crack down on junk fees and help consumers save real money.

You know, over the last decade, credit card giants have been hiking late fees every year almost in lockstep. Even as technology has brought many of their costs down, they've raised interest rates, squeezing American families out of an extra \$25 billion in interest charges last year alone.

That's why we're working across Government to get you a better deal to make it easier to switch from your high-rate credit card, stopping bait-and-switch tactics on some credit card rewards, and going after the online tricks that drive consumers to bigger credit card issuers with worse service and terms.

This work is critical, especially as some of the biggest players in so many industries are looking to get even bigger and gain more power to corner the market.

Thank you, President Biden, for your leadership of putting a stop to this profiteering, greedflation, and other unfair practices that keep costs high for so many families.

It's my pleasure to turn it over to the President of the United States.

The President. Thank you, pal.

It's good to see you all and nice to see you all in one spot.

Look, Director, thank you for that introduction. And thank you all for the work of the Competition Council. Now, it's reducing costs and delivering results for the American people.

I've said before, capitalism without competition is not capitalism, it's exploitation. And that's what we've been seeing. Although it's in small scale in the minds of many people, when you add up those numbers, they're gigantic. And we're taking it on.

Here's what's happening: The pandemic disrupted the supply chains. We all know that. I—remember—I didn't think as many people had any idea what a supply chain was, and we all learned really quickly.

It drove up costs on everything from smartphones to automobiles. But it also—now those costs are making things—have come down, but the prices haven't come down. They've stayed up. They've stayed high, and the profits have soared. And it's time for those prices to come back down.

Look, the good news is, inflation is the lowest it's been in 3 years. In the last—in last year alone, inflation came down by two-thirds. We have one of the lowest inflation rates in the world.

Many companies have done the right thing: They've helped lower costs for Americans. But even as supply chains are back to normal, some companies are still not passing along the savings to their consumers. Many corporations are raising their prices to pad their profits, charging folks more and more for less and less.

But—in fact, some of the small snack companies, you won't and—think you won't even notice what they're doing when they charge you just as much for the same size bag of potato chips, only it has a hell of a lot fewer chips in it.

I'll tell you what—I'll tell you who did notice: the Cookie Monster. *[Laughter]* He pointed out cookies are—his cookies are getting smaller. He's paying the same price. *[Laughter]* I was stunned when I found out that's what actually happened. *[Laughter]*

But some companies are also adding junk fees—you know, the hidden costs that are added to the—your bill without your knowledge. And some companies have been even caught breaking the law while overcharging consumers.

And the American people are tired of being played for suckers. I mean, it's one thing—no matter how much money you make, no matter how rich or poor or middle class you are, you don't like being taken advantage of.

That's why today I'm launching a new strike force to—on unfair and illegal pricing to crack down on companies who break the law while keeping prices high for American consumers. The new strike force will be led by the Department of Justice and the Federal Trade Commission. If you keep prices high while engaging in illegal practices that are fraudulent or unfair or deceptive or anticompetitive, you—we will enforce the law. We will enforce the law.

Today we're also announcing that the Consumer Financial Protection Bureau is finalizing a rule that will help stop some credit card companies from ripping you off with late fees. Under the law, banks are not supposed to charge late fees that are higher than the cost the banks have to engage to collect the late payment.

But we estimate banks were generating five times more in late fees than it costs to collect late payments. They're padding their profit margins and charging hard-working Americans more than—a cumulative effort—a number—\$14 billion in 2022.

With the announcement of this new rule, late fees are now going to be down to \$8—\$8—instead of the current average of \$32 late fee payments. This action will collectively save families \$10 billion in credit card late fees every year. That's the average of \$220 in savings annually for more than 45 million Americans who typically have to pay late fees. That's a lot of money.

And let me close with this. Fair competition is the key to my economic vision to build an economy from the middle out and the bottom up, not the top down. And it's working. Wages are up more than prices. Unemployment has reached historic lows. Families are finally getting a little breathing room.

Prices are still too high, and they shouldn't be this high. That's why we're going to do everything we can to keep lowering costs for working—hard-working families.

With that, I'm going to turn this over to Lael, the Director of National Economic Council. But I'm supposed to leave for a meeting with—meeting with the Business Roundtable on the telephone. But I'm going to hang around and listen a little bit.

So, with your permission, I'd like to stay a few—and my staff will tell me when the drop-dead hour occurs. *[Laughter]* They'll pass me a note.

But thank you all for all the work you're doing. I really mean it. It makes a big difference.

When I raised this issue a year or so ago with some of my team, they thought, "No one is going to care much about it." Well, they didn't sit at my kitchen table when I was growing up. You care a whole lot when you're being played for a sucker, no matter how much money you have.

So thank you for what you're doing.

Lael, I'll turn it over to you.

National Economic Council Director Lael Brainard. Well, Mr. President, I think the members of your Competition Council have been very busy since you last met with them about 6 months ago. We've also got a new member. Ambassador Tai has joined the Competition Council as well.

And I thought what we might do is just start by hearing from several of your Cabinet members about the efforts they've been undertaking over the last few months and the announcements they're making.

So I thought we would start with Secretary Vilsack to hear about the Department of Agriculture and then perhaps go to Secretary Austin to hear about the Department of Defense.

Secretary of Agriculture Thomas J. Vilsack. Well, thank you very much, Madam Director. Mr. President, I'm very pleased to be here today to report on the progress that USDA has made under the competition Executive order you signed to deliver benefits for farmers, ranchers, workers, and American families.

First, we finished the final rule on the inclusive competition and market integrity, which bans discrimination on the basis of sex, race, religion, disability, and more, including being a cooperative in the livestock and poultry markets.

It's going to prohibit retaliation against livestock producers and poultry growers for engaging in very basic activities—reporting to the Government, forming an association of producers, or more. For example, it protects livestock producers and poultry growers' ability to communicate with each other and other packers and poultry dealers in search of new opportunities to compete or engage in price discovery.

The rule also stops deception, including false or misleading statements and material omissions in contracting, contract operations, and contract termination.

As you can see from—there's a—there will be a slide in the slide deck—we're also working hard at two more proposed rules. One tackles unfair and deceptive practices in poultry tournaments. The second reaffirms the longstanding position of USDA that harm to competition along the lines of the Sherman and Clayton Acts should not be applied to packers and stockyard cases.

We're very close to publishing a final rule that aligns the product of the U.S.A. label with consumer understanding of what that claim means. We're working on label standards and verification guidance for claims, such as animal-raised practices, so that consumers can trust those labels.

And lastly, we're wrapping up the more than \$1 billion of investments that you challenged us to make in meat and poultry processing infrastructure this spring and summer, focused on small, independently owned, local facilities.

I'd like to highlight the steps we continue to take to promote transparency, the farmers' voice, and research access. With a partnership with the United States Patent and Trade Office, we're also

helping farmers and plant breeders voice their expertise in support of robust patent examination process. Next, in partnership with the Patent Office, we're working on steps to promote research access to seed germplasm.

All of this, Mr. President, is going to provide additional competition, more choice, and lower costs for consumers.

And that's just a few of the many ways we're promoting competition at USDA. From domestic and sustainable fertilizer capacity, which you ordered, to food system transformations and more, USDA is using our expertise and balance sheet to bring down prices for consumers, promote fairness for farmers and workers with the Department of Justice, and shoring up the resiliency in our food and agriculture supply chain, all of which you directed and challenged us to do.

The President. Can I ask a question? What kind of a response are you getting from farmers and, particularly, livestock producers?

Secretary Vilsack. Mr. President, they welcome these changes. For far too long, they've felt that they were at the mercy of a relatively small number of integrators and processors.

So, to the extent that they now have more options to be able to process their cattle at a local and independently owned processing facilities, some of which are farmer owned; to the extent that they know they have a balanced playing field, that they understand better who they're doing business with, they understand that they have certain rights, that they can, in fact, seek a better deal—all of that, I think, is something that's been very much desired in the marketplace across all farm groups and across all associations.

So this is very, very popular with farmers.

The President. I remember you raised this with me almost 4 years ago on the trail in Iowa. And it's good to see it's underway. It seems—what's the most—next most important step? I'm not going to ask everybody these questions, but I'm just curious. [*Laughter*]

Secretary Vilsack. I think, Mr. President, it's basically providing an opportunity for small and mid-sized farming operations to stay in business. Previous administrations have taken the attitude, "You've got to get it big or get out." That's really helping the large-scale farming operations.

Your administration, for the first time, is creating an option so that people can stay in business and pass their farms on to their families. This—I can't emphasize how important this is.

We've lost 554,000 farms since 1981. That's all the farmers today in North Dakota, South Dakota, Minnesota, Wisconsin, Illinois, Iowa, Nebraska, Colorado, Missouri, and Oklahoma. Gone. Your administration is trying to put a stop to that.

The President. Thank you. Thank you.

Director Brainard. Yes, I think that's a great example of the many ways that by giving small farmers, small ranchers a fair shot, we're also helping to bring prices down for American consumers on things like poultry and meat.

One of the unique at—facets of the Competition Council is that we've really seen every Cabinet agency increasing competition.

And I think Secretary Austin has undertaken a number of really important initiatives at the Department of Defense. So, Mr. Secretary, perhaps you'd like to talk about those next.

Secretary of Defense Lloyd J. Austin III. Thanks, Lael. Mr. President, as you know well, competition is vital to our defense industrial base. And to keep America secure, we need to make our defense—industrial base even stronger.

In January, the department released our first ever national defense industrial strategy. That's our blueprint for building a more resilient defense industrial base that's postured to deliver capabilities to our warfighters at speed and scale. And that means expediting—or expanding our relationships with small and nontraditional companies and industries to diversify our supplier base and lowering barriers to enter in the defense marketplace.

And so, over the next 6 months, Mr. President, we'll keep pushing to implement that strategy and foster a more resilient, modern, and competitive defense industrial base.

Now, Putin's ongoing assault on Ukraine has underscored how important this is. Our security assistance has kept the Ukrainians in the fight and saved lives, and it's also strengthened our economy. And these investments have expanded facilities and created jobs for American workers.

And the weapons that we've sent to Ukraine to help defend itself are made in America by American workers nationwide, from Texas, to Ohio, to Arizona.

Now, Ukraine's fight—Ukraine's fight also shows that we urgently need to expand our own production capabilities and coordinate even more closely with our partners and allies. And we need Congress to pass a national security supplemental and the full-year appropriations so that we can keep investing in our industrial base.

And I appreciate everyone here and your support to make the President's Executive order a reality. These initiatives will promote competition and revitalize our defense industrial base to keep America safe in the 21st century.

Thanks.

The President. I have a lot of questions. I'd better not start the questions. I'll get in trouble. [Laughter]

Q. What's your message for Super Tuesday voters? Super Tuesday, sir, do you have a message for voters?

NOTE: The President spoke at 2:50 p.m. in the State Dining Room at the White House. In his remarks, Secretary Austin referred to President Vladimir Vladimirovich Putin of Russia. He also referred to H.R. 815.

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