



April 10, 2015

Ms. Katherine Lugar
President
American Hotel & Lodging Association
1250 I Street, NW, Suite 1100
Washington, DC 20005

Dear Ms. Lugar:

The online travel companies of the Travel Technology Association represent that world's leaders in independent travel distribution and help your members successfully market more than 100 million room nights a year in the U.S. We provide an important revenue stream and sales channel for large hotel chains, independent hoteliers, franchisees and even small bed and breakfast inns. So we have every reason to work together to collectively achieve growth and success in the hotel sector.

Given AH&LA's interest in consumer protection and transparency, we are hoping you will join us in raising awareness about a growing practice in the lodging sector: the imposition of mandatory resort fees.

This is an issue of public concern¹ and the Federal Trade Commission has explored and continues to monitor this issue.² Mandatory resort fees are a source of consumer discontent. These fees are not included in the base room rate, and serve only to obscure the actual price of the room, as they bear no true relationship to the list of services often offered to consumers as justification. Further, these mandatory resort fees are levied on consumers whether they utilize those services or not. Our member online travel companies – as well as traditional brick and mortar travel agencies – have no recourse other than to display this pricing as transmitted from the hotel.

Even hoteliers who would rather not charge mandatory resort fees are being forced into the practice in order to maintain competitiveness. If some hotels in the market are reducing their advertised rates and levying mandatory resort

¹ <http://www.usatoday.com/story/travel/columnist/2015/02/01/hotel-resort-fees/22549329/>

² <https://www.ftc.gov/news-events/press-releases/2012/11/ftc-warns-hotel-operators-price-quotes-exclude-resort-fees-other>



fees on consumers, hoteliers competing on price have few options but to deploy the same practice in order to remain competitive. The data show that this is truly becoming a growing practice as the industry collected \$2.25 billion in mandatory resort fees in 2014, nearly twice the amount that was collected ten years prior.

And finally, in many jurisdictions, mandatory resort fees reduce occupancy tax collections, as resort fees are not subject to hotel taxation.

As you stated recently in a letter to my members, “the hospitality industry is a business of people, and we all have a stake in ensuring that the consumer gets what they rightfully request and expect when booking online...Consumers are owed clear and transparent communication...”

We couldn't agree more.

We urge you to join us in speaking out against the growing practice of imposing mandatory resort fees on travelers. It's unfair to hoteliers and, most importantly, consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Shur", is written over a faint, light-colored watermark of the Travel Tech logo.

Stephen Shur
President
The Travel Technology Association