

United States Senate
WASHINGTON, DC 20510

July 16, 2015

Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Ramirez:

Two years ago the Federal Trade Commission raised concerns about the practice of hotels utilizing mandatory resort fees to misrepresent the true price consumers can expect to pay for a hotel stay. Since that time the practice has only grown yet the Commission has taken no enforcement actions to date. I urge the Commission to reprioritize this issue that continues to adversely affect consumers, and take action to end this deceptive practice.

Mandatory resort fees are not included in the advertised rate for a hotel room but are charged when a consumer checks in or out of a hotel. These fees can range from \$5 to more than \$100 a night and can constitute a significant percentage of a hotel bill. Hotels that charge the fees argue that they are intended to cover the cost of services such as the pool, gym, coffee, newspapers, and other amenities, but resort fees often have no connection to the actual cost of services rendered. Worse yet, consumers have no choice but to pay these fees, even if they do not use the amenities the fees ostensibly cover. It seems clear that resort fees are being used to mask the true cost of a hotel stay so it is no wonder that a significant portion of the traveling public, even seasoned travelers, continues to be caught unaware.

For families and small businesses these mandatory resort fees are particularly harmful. American families work hard to save enough money for a well-deserved vacation. But many continue to be surprised by mandatory fees that were not prominently displayed or were undisclosed altogether. Small businesses also have a difficult time accounting for mandatory fees that are not part of the room rate. To ensure truth in advertising for families and small businesses, if a fee is mandatory and cannot be waived, it should simply be added in to the advertised room rate.

Two years ago the FTC conducted a workshop on deceptive drip pricing and highlighted resort fees as a prominent example of the practice. The Commission subsequently sent letters to 22 hotel operators and travel agencies suggesting that the practice could constitute a violation of Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices in or affecting commerce. However, to date, the Commission has brought no enforcement actions against those engaging in the practice.

While disclosure of these mandatory fees has arguably improved, the problem has only gotten worse. According to an industry analysis, the number of hotels in the United States charging a mandatory resort fee has doubled since that time. To further compound the problem, even the modest improvement in the disclosure of these fees on some booking sites has been offset by the trend of more Americans booking travel over smart phones and other mobile devices that do not have adequate space to prominently display fees.

Mandatory hotel resort fees continue to surprise and infuriate consumers. The FTC should revive its investigation into mandatory resort fees and take appropriate steps to end the deceptive practice.

Sincerely,

A handwritten signature in blue ink that reads "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
U.S. Senate