



Office of Commissioner  
Rebecca Kelly Slaughter

UNITED STATES OF AMERICA  
**Federal Trade Commission**  
WASHINGTON, D.C. 20580

**STATEMENT OF COMMISSIONER REBECCA KELLY SLAUGHTER**

*Regarding Advance Notice of Proposed Rulemaking for Unfair or Deceptive Fees  
As Prepared for Delivery*

October 20, 2022

I'm sure that to the public some of the work we do at the Commission can seem obscure – only affecting a part of the market they don't really participate in. This matter is emphatically the opposite. There is probably no greater and universal frustration in modern American life than seeing an advertised price for a product or service and then getting to the cashier or online payment page and seeing that price balloon.

Unfair or deceptive pricing practices aren't just annoying, they can prey on people's sunk costs in a transaction to squeeze even more money out of them at the last minute - effectively raising prices without appearing to do so. Empirical research on hidden fees and drip pricing have suggested that these fees “cause, or even trick, people into buying things they would not otherwise.”<sup>1</sup> In a time when many folks need to make hard choices about what to spend money on, this kind of deception is even more concerning.

These practices undermine effective competition as well. As I mentioned during our vote for the Earnings Claims ANPR: Markets cannot function effectively without honest and transparent pricing. A market without transparent price signals can encourage deception and rent-seeking, incentivizing creative ways to extract wealth instead of providing the goods and services people value.

The FTC has done great work in combating some of these practices. We've addressed mobile cramming charges, phone card charges, and fees in discount programs for goods and travel. We've also deployed our existing rules to combat hidden fees in telemarketing scams and funerals, and to prevent companies from billing consumers without authorization. But, as in other areas where we have opened a rulemaking inquiry, case-by-case enforcement has not effectively deterred these practices. Our inquiry into the prevalence and harms of practices like junk-fees, drip-pricing, resort fees, service fees, and others is as necessary as it is timely. I'm proud of our efforts to take head on the real pocketbook problems that are facing Americans.

I want to thank BCP's Division of Advertising Practices and the Office of the General Counsel for their partnership and hard work in developing this ANPR and echo the Chair's recognition of each of the individuals who contributed. I look forward to hearing more from the public on this matter.

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<sup>1</sup> 7 Nat'l Econ. Council, The Competition Initiative and Hidden Fees 7 (2016), [https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/hiddenfeesreport\\_12282016.pdf](https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/hiddenfeesreport_12282016.pdf)