



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

Office of the Chair

**Statement of Chair Lina M. Khan
Regarding the Advanced Notice of Proposed Rulemaking
on
Commission File No. R207011**

October 20, 2022

Today we are considering the publication of an Advance Notice of Proposed Rulemaking to address the problem of junk fees.

Companies often fail to disclose these fees up front. Earlier this week, the Commission announced a quintessential junk fee case. According to the complaint, Passport Auto advertised a price for cars that were certified, reconditioned, and inspected. But when people went to buy a car, they were hit with charges for certification, reconditioning, and inspection.

These types of extra or redundant fees can mislead consumers, or prevent them from
prevent consumers
from making accurate price comparisons, which means they end up spending more than they
expected or wanted to.

they can also force honest businesses to compete
on an unfair playing field. A company selling a widget for 25 dollars might lose sales to a
company selling a comparable widget for 20 dollars, plus a six-dollar widget-certification fee
tacked on at the end.

The Commission has a long track record of taking action against junk fees, and that deep