



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580

Office of the Director
Bureau of Consumer Protection

January 15, 2025

Governor Jared Polis
State Capitol Building
200 E. Colfax Ave., Room 136
Denver, CO 80203-1716

Dear Governor Polis:

As the Director of the Bureau of Consumer Protection of the Federal Trade Commission (“FTC”), I write to provide information about the FTC’s efforts to address junk fees that cheat consumers and undermine competition.¹ I hope you find this useful as Colorado legislators consider introducing a comprehensive bill this term.

American consumers, workers, and small businesses today are swamped with junk fees that frustrate consumers, erode trust, impair comparison shopping, and facilitate inflation. Junk fees refer to unfair or deceptive fees that are charged for goods or services that have little or no added value to the consumer, including goods or services that consumers would reasonably assume to be included within the overall advertised price. Some junk fees are also “hidden,” meaning they are disclosed only at a later stage in the consumer’s purchasing process or not at all. Junk fees manifest in a wide range of markets and are growing. Such fees impose substantial economic harms on consumers, impede the dissemination of important market information, and put businesses that do not hide these fees at a competitive disadvantage.

FTC’s Rulemaking Efforts

In October 2022, the FTC issued an [advance notice of proposed rulemaking](#) (“ANPR”) seeking public comment on a potential rule to address junk fees proliferating throughout the economy. The ANPR sought public comment on the prevalence of junk fees, the unfair or deceptive tactics companies use to impose them, the harms caused by junk fees, and whether a new rule would better protect consumers. Consumers and industry members demonstrated strong interest in the questions posed by the ANPR: the FTC received 12,046 comments in response, which overwhelmingly expressed frustration with unexplained mandatory fees.

A year later, in October 2023, the FTC announced a [notice of proposed rulemaking](#) (“NPRM”) and sought public comment on a proposed rule. The proposed rule sought to ban hidden fees by prohibiting businesses from advertising prices that hide or leave out mandatory fees. The

proposed rule would have prohibited sellers from misrepresenting fees and required certain disclosures about the nature and purpose of fees. The FTC received more than 60,000 [comments](#)

Colorado Legislation

As Colorado considers legislation to combat junk fees, I hope the FTC's recent rulemaking and enforcement experience provides useful insight. Although the FTC's final rule is limited to two industries, the Commission found that unfair and deceptive fee practices are prevalent throughout the economy. These practices can be especially harmful to low-income consumers looking for rental housing or other essentials,² and a comprehensive law would address these fees market-wide.

Thank you for the opportunity to provide information about the FTC's efforts to address junk fees at the federal level. We hope our work proves helpful as Colorado considers additional steps to strengthen competition and save its citizens money and time.

Very truly yours,

Samuel Levine
Director, Bureau of Consumer Protection
Federal Trade Commission

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