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example, the Commission took action in the fall of 2022 [against Vonage](#), an internet phone service provider, requiring the company to pay \$100 million in refunds to consumers that were trapped into subscriptions and hit with surprise early termination fees.<sup>3</sup> Also in the fall of 2022, the Commission took action against [Passport Automotive Group](#) and its top executives for tacking hundreds to thousands of dollars in illegal junk fees onto car prices and discriminating against Black and Latino consumers with higher financing costs.<sup>4</sup> In the summer of 2022, the FTC took action against [healthcare company Benefytt Technologies](#) for selling sham insurance and charging people with exorbitant junk fees for unwanted add-ons without their permission.<sup>5</sup> The company was required to pay \$100 million in refunds.<sup>6</sup>

***Research and Outreach***

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displayed prices.”<sup>11</sup> Ticket sellers who participated in the workshop that did not provide upfront all-in pricing “favored requiring all-in pricing through federal legislation or rulemaking.”<sup>12</sup>

### ***Potential Proposed Rulemaking***

Most recently, in October 2022, the FTC issued an [advanced 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.

These [ANPR comments](#) overwhelmingly expressed frustration with unexplained mandatory fees. Many ANPR comments raised concerns that sellers fail to disclose the total amount consumers will pay, misrepresent the amount, and only disclose fees after consumers have expended time in the purchasing transaction. Many comments also stated that sellers do not adequately disclose or misrepresent the nature or purpose of fees, using vague names for fees or using fees as a profit generator instead of providing consumers with services. The comments related to a wide range of goods and services, such as ticket sales, hotels, vacation rentals, apartment rentals, tax preparation services, restaurants, delivery services, utilities, telephone, internet, and cable services, and auto sales. FTC staff is currently analyzing the comments to determine the appropriate next steps.

Thank you for the opportunity to provide information about the FTC’s efforts to address junk fees at the federal level. I hope that the FTC’s work provides useful insight as you consider legislation addressing junk fees in Pennsylvania. To the extent the Federal Trade Commission can provide assistance with these inquiries, please do not hesitate to contact me.

Very truly yours,

A black rectangular redaction box covering the signature of Samuel Levine.

Samuel Levine  
Director, Bureau of Consumer Protection

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<sup>11</sup> *Id.*

<sup>12</sup> *Id.*