



Office of the Director  
Bureau of Consumer Protection

United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

March 18, 2024

The Honorable Julie McCluskie  
Speaker  
Colorado House of Representatives

The Honorable Monica Duran  
Majority Leader  
Colorado House of Representatives

The Honorable Rose Pugliese  
Minority Leader  
Colorado House of Representatives

Dear Speaker McCluskie, Majority Leader Duran, and Minority Leader Pugliese:

I understand that the Colorado House of Representatives is considering legislation to combat junk fees. As the Director of the Bureau of Consumer Protection of the Federal Trade Commission (“FTC”), I write to provide information about the FTC’s concurrent efforts to address junk fees. The views in this letter are my own and do not necessarily reflect the views of the FTC or any individual Commissioner.

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 markets ranging from hotels to auto financing and live-event ticketing—they are not only widespread but are also growing. Such fees impose substantial economic harms on consumers and impede the dissemination of important market information.

### ***Enforcement Efforts***

Consumers have long expressed concerns to the FTC about the prevalence of junk fees across a range of industries, and the FTC has employed a variety of tools to understand and address them. The FTC has engaged in a number of enforcement actions against companies that the FTC alleged charged unfair or deceptive junk fees in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a),<sup>1</sup> and other statutes that the FTC has the authority to enforce.<sup>2</sup> For example, the Commission took action [against Vonage](#) 530-npt/SC/HTK/ST consumer’s detriment

<sup>2</sup> , Stipulated Order at 2, , No. 98-cv-00629 (W.D. Tex. May 4, 2016); Compl. at 3, FTC v. T-Mobile USA, Inc., No. 14-cv-967 (W.D. Wash. filed July 1, 2014); Compl. at 3, , No. 14-cv-3227 (N.D. Ga. filed Oct. 8, 2014).; , 745 F. Supp. 2d 975, 982 (N.D. Cal. 2010); Stipulated

internet phone service provider, requiring the company to pay \$100 million in refunds to consumers that were allegedly trapped into subscriptions and hit with surprise early termination fees.<sup>3</sup> The Commission also took action against

did not provide upfront all-in pricing “favored requiring all-in pricing through federal legislation or rulemaking.”<sup>12</sup>