

April 8, 2025

The Honorable Brett Guthrie, Chairman The Honorable Frank Pallone, Ranking Member House Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515

RE: Consumer Reports Support for H.R. 1479, the Hotel Fees Transparency Act of 2025

Dear Chairman Guthrie and Ranking Member Pallone,

Consumer Reports (CR)¹ strongly supports H.R. 1479, the Hotel Fees Transparency Act of 2025², introduced by Rep. Young Kim to protect consumers by requiring "all-in" pricing for hotel stays, including any resort fees or other mandatory charges. By requiring the upfront disclosure of the full cost of the hotel stay, inclusive of all mandatory and unavoidable fees, the Hotel Fees Transparency Act will help ensure full price transparency when consumers compare their choices for hotel accommodations, and enable them to make informed purchase decisions at the point of sale.

Hidden fees for hotel stays are a major concern for consumers, because they make it harder to shop for hotel accommodations and purchase an affordably priced hotel stay. In April 2023, Consumer Reports conducted a nationally representative survey of 2,121 U.S. adults to learn more about their experiences with hidden fees across a range of products and services in the last two years. CR found that 37 percent of those surveyed had experienced hidden fees for hotel

¹ Consumer Reports (CR) is an independent, nonprofit membership organization that works side by side with consumers to create a fairer, safer, and healthier world. Since 1936, CR has provided evidence-based product testing and ratings, rigorous research, hard-hitting investigative journalism, public education, and steadfast policy action on behalf of consumers' interests. Unconstrained by advertising, CR has exposed landmark public health and safety issues and strives to be a catalyst for pro-consumer changes in the marketplace. From championing responsible auto safety standards, to winning food and water protections, to enhancing healthcare quality, to fighting back against predatory lenders in the financial markets, Consumer Reports has always been on the front lines, raising the voices of consumers.

² H.R. 1479 - 119th Congress (2025-2026), Hotel Fees Transparency Act, *Congress.gov*, Library of Congress, available at: https://www.congress.gov/bill/119th-congress/house-bill/1479

stays. More than half of those surveyed said the additional fees charged caused them to exceed their budget.³

In 2019, Consumer Reports published "Protect Yourself from Hidden Fees," which examined hidden fees for a variety of services in major sectors of the US economy. We noted that:

...The explosion in add-on fees may be an outgrowth of the rise of online shopping websites such as Expedia and Hotels.com, which allow consumers to quickly compare prices from multiple sellers and to zero in on the cheapest options. That stepped-up price competition has helped to lower prices for many goods and services.

But there's an unintended consequence: As companies strive to become the lowest-price provider, they have a powerful incentive to make their prices appear lower, often by labeling a portion of the cost as a fee, says Glenn Ellison, a professor of economics at the Massachusetts Institute of Technology who has studied online pricing. When disguised as fees, these costs may not be picked up by online shopping portal engines, though some websites may eventually capture them.

As CR pointed out in our letter to the FTC in 2019, US hotel fees and surcharges have steadily increased over the years, from \$2 billion in 2012, to \$2.7 billion in 2017, to \$2.93 billion in 2018.⁴ These fees are now being charged at a wide range of hotels and have a variety of names, including "urban amenities fees" or "destination fees," that imply that the fee is largely related to the location of the hotel. These fees have continued to skyrocket in cities such as New York, San Francisco, Washington, DC, and others. For instance, New York City went from 15 hotels charging such a fee in 2016, to 42 in 2017, and then 85 in 2018.⁵

According to hotel websites, these fees cover items such as restaurant credit, internet access, domestic and international phone calls, and discount coupons for tours and events. As described in our 2019 letter, Consumer Reports examined the websites of the 34 hotels that received letters from the FTC in 2012 and 2013. We found that 31 of the 34 hotels continued to charge resort fees, and that none of the 31 includes those resort fees in the price quoted to consumers. Similarly, none of the 10 Online Travel Agencies (OTAs) that were still operating

³ Electric-Only Vehicles, Car Maintenance, Hidden Fees, Pet Food and Plant-Based Milk, American Experiences Survey: A Nationally Representative Multi-Mode Survey, prepared by the Consumer Reports Survey Research Department (April, 2023), p.15-20, available at:

 $[\]frac{https://article.images.consumerreports.org/image/upload/v1682544745/prod/content/dam/surveys/April_2023_AES_Toplines.pdf$

⁴ Anna Laitin, Consumer Reports Letter to the Federal Trade Commission Division of Advertising Practices, (August 19, 2019) available at:

https://advocacy.consumerreports.org/wp-content/uploads/2019/08/CR-letter-to-FTC-hotel-resort-fees-080619.pdf; See also: Julie Sickel, *U.S. Hotel Fees and Surcharges Projected to Hit \$2.93B in 2018*, Business Travel News (October 24, 2018), available at: https://www.businesstravelnews.com/Lodging/US-Hotel-Fees-and-Surcharges-Projected-to-Hit2-93B-in-2018.

⁵ Lauren Wolfe, *New York City Has Unique Issues Related to Resort Fees,* KillResortFees.com, available at: http://killresortfees.com/newyorkcity

included the resort fees in its initial quoted prices.⁶

Among the 31 hotels that continue to charge resort fees, none included those fees in the initial online price shown to consumers, the CR analysis found. Instead, the hotels show only the base cost of the room on the first pricing page, without including additional mandatory charges, though some mentioned the existence of fees in small print or via a hyperlink. Customers must make multiple clicks to arrive at a checkout page to see the total costs, including fees. Among the hotels surveyed, those add-on expenses, including resort fees and other surcharges, as well as taxes, ballooned the total costs by 11 percent to more than 100 percent.

Although all the hotel websites reviewed by CR failed to show the additional fees and charges clearly, some were even less clear than others. Four hotels, including Atlantis Casino Resort Spa, Eldorado Hotel Casino in Reno, Nev., Mohegan Sun in Uncasville, Conn., and Wynn Las Vegas and Encore Hotel made no mention of their resort fees when presenting the initial room rate, delaying notification until customers reach the checkout page. Other hotels mentioned the existence of add-on fees on the first pricing page, but those details are difficult to see. The Four Seasons Scottsdale noted other fees and charges at the bottom of the room rate page, but customers have to click through a hyperlink for details. The Tuscana Resort in Orlando provided a small-print reference to fees and taxes, which was visible only if customers scrolled down below the room rate information.

A similar lack of fee disclosure was found at all 10 online travel agencies that are still operating, including Booking.com and Expedia, which both own several of the agencies. These websites showcase initial room rates without including mandatory fees, which appear only after customers clicked through additional pages.

As we described in the letter:

Consumers use Online Travel Agencies (OTAs) to comparison shop. Unfortunately, with the use of resort fees by hotel operators, comparison shopping cannot be completed without significant costs to the consumer in time and energy. All ten of the still-operational OTAs that were sent [FTC] warning letters in 2012 or 2013—several of which are joined in common ownership—fail to display the resort fee on the first page of the search where consumers see the advertised rate, which is where they comparison shop. Consumers must click on a specific hotel in order to see the mention and price of a hotel's resort fee. Consumers must then click again in order to see the true total price. This obfuscation of the true price of a stay at these hotels means that consumers are prevented from conveniently making cost comparisons between hotels.

⁶ Anna Laitin, *Consumer Reports Letter to the Federal Trade Commission Division of Advertising Practices*, (August 19, 2019) available at: https://advocacy.consumerreports.org/wp-content/uploads/2019/08/CR-letter-to-FTC-hotel-resort-fees-080619.pd f

⁷ Eleven OTAs received the FTC Warning letters. The CR analysis excluded Quikbook, which is no longer in business. Cited in: Anna Laitin, *Consumer Reports Letter to the Federal Trade Commission Division of Advertising Practices*, (August 19, 2019) available at: https://advocacy.consumerreports.org/wp-content/uploads/2019/08/CR-letter-to-FTC-hotel-resort-fees-080619.pdf

Furthermore, even when the OTAs finally do disclose the full cost, they vary in how they display the total to the consumer at check-out.⁸

We also noted that Priceline was failing to display the full cost of a stay, but by highlighting the lower cost, it was employing a form of "dark patterns" to obscure the true price from consumers.⁹

According to consumer stories collected by CR in January 2023, consumers continue to be disappointed and frustrated by the widespread practice of unfair and deceptive hotel resort fees.

Michael from San Leandro, California said:

I find resort fees to be the most offensive. When I first saw them, I assumed that they were state taxes of some kind. When I realized they weren't, I hit the ceiling. They are not included when you make reservations online until the reservation is complete, and there is no rhyme or reason to how they are calculated.

Sharon from Port Orchard, Washington said:

Not being able to budget hotel rooms because you don't know exactly what fees you may have to pay keeps me from traveling except for family emergencies. Fun travel has gone away because of all the fees of airports, taxis, Ubers, and hotel accommodations.

Cynthia from Marlboro, New York told us:

Staying at a nice (aka an expensive) hotel, we were charged a resort fee for a pool which we didn't use. The pool was outside and it was winter in Vermont. We spoke with elderly walker and wheelchair bound seniors who were also charge and also did not use the pool. The room rates were high enough -- the resort fees were not necessary.

Koolish from Berkeley, California also said hotel resort fees were unfair to consumers with disabilities:

Resort fees for hotels (not including parking, the one thing a disabled traveler needs most to be included, [are charged] for bikes I cannot ride, coffee that costs them \$1 etc. These fees are between \$29-\$40.

By requiring all mandatory fees and charges to be included in the prices stated for hotel stays for primary sellers and online search websites, H.R. 1479 will help ensure that consumers can see the full price when they are first picking out their room and evaluating their choices. This enables consumers to make informed decisions based on the full price, and "apples to apples" comparisons of competitive offerings, without having to spend many additional minutes or hours

⁹ Ibid.

⁸ Ibid.

checking for surprise charges at the tail end of the shopping process, prior to checkout.

This common-sense requirement for "all-in pricing" for hotel accommodations is urgently needed and long overdue. By establishing fair ground rules for all ticket sellers and market participants, H.R. 1479 also creates a level playing field for all market actors to act appropriately.

For all these reasons, Consumer Reports strongly supports H.R. 1479, the Hotel Fees Transparency Act. We urge all House members to vote YES for this important bill.

Sincerely,

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