



Office of the Chair

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

**Remarks of Chair Lina M. Khan  
As Prepared for Delivery  
White House Convening on Junk Fees**

**April 24, 2024**

Good afternoon. Thanks to the President’s clear-eyed leadership, the steadfast commitment from Director Brainard, and the critical work of colleagues like Director Chopra, this administration’s fight against junk fees is protecting American families and honest businesses.

It’s particularly inspiring to be here today alongside elected officials and policymakers from states across the country who are on the front lines of protecting Americans from corporate abuse—and who are fighting back with innovative legislative solutions to root out junk fees.

Today, being a consumer in America increasingly means being saddled with unexpected and unnecessary fees you cannot escape. Whether you’re paying a hotel bill, renting an apartment, buying a concert ticket, or ordering dinner online—the price you pay will most likely be higher because of junk fees. The CEA conservatively estimates that Americans collectively pay 90 billion dollars a year in junk fees—money that corporations are extracting from Americans just because they can.<sup>1</sup> These junk fees are an invisible tax that inflates prices across the economy.

That’s why, last year, the FTC proposed a rule to ban junk fees. Our proposed rule would prohibit corporations from running up the bills with hidden and bogus fees, spurring firms to compete honestly instead of subjecting consumers to the indignity of paying a “convenience fee” that is never convenient. The proposal would make sure corporations can’t lure people in with an artificially low price, but then, when it’s time to make the purchase, add all sorts of mystery fees that significantly raise the overall cost. Violators would be subject to civil penalties and be required to pay back Americans they tricked.

Since releasing our proposed rule, we’ve gotten a tremendous public response. Our proposal received more than 60,000 public comments—mostly from everyday Americans who are sick and tired of paying pointless fees to pad the profits of some of the biggest corporations in America.

One Kentucky resident shared that she rented an apartment she thought she could afford based on the advertised price of rent and utilities. Only later did she learn that she owed fees,

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<sup>1</sup> The White House Council of Economic Advisors, *The Price Isn’t Right: How Junk Fees Cost Consumers and Undermine Competition* (March 5, 2024), <https://www.whitehouse.gov/cea/written-materials/2024/03/05/the-price-isnt-right-how-junk-fees-cost-consumers-and-undermine-competition/>.

mostly undisclosed in the lease, that add up to nearly 20 percent of her rent.<sup>2</sup> We've heard similar stories about landlords squeezing renters with obscure charges—like move-in and screening fees, package locker fees, trash removal fees, pest control fees, transaction fees, credit reporting fees, technology package fees, and the list goes on.

Junk fees also waste people's time. One commentor shared that the total price of their hotel nearly *doubled* once fees were included, turning “what should have been a 5- minute search... into hours or days.”<sup>3</sup> Our team is doing a full review of these comments, and we look forward to sharing next steps in the coming months.

It's been extremely energizing to see the groundswell of policy innovation from states seeking to crack down on junk fees. The FTC is committed to turbocharging this momentum. Our staff have built up immense expertise through years of enforcement experience, and we stand ready to share that expertise in any way we can be helpful—whether through offering technical assistance, writing letters of support, or providing oral testimony to help advance legislation.

As you all continue to spearhead important legislation, we want to make sure that we're not missing opportunities to be force multipliers for this critical work. So please, let us know where we can be most helpful.

Together, our work to root out junk fees not only ensures that Americans can keep more of their paychecks—but also helps restore a degree of justice to families and fairness in our markets.

Thanks again to Director Brainard for facilitating today's convening; to Director Chopra for fearlessly holding accountable companies that prey on Americans' pocketbooks; and to the state leaders here today for continuing to champion bold legislation in our fight against junk fees. With that, I'll pass it over to Director Chopra.

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<sup>2</sup> Comment of Ruth Spencer, Notice of Proposed Rulemaking on Unfair or Deceptive Fees, *Regulations.gov* (Nov. 19, 2023), <https://www.regulations.gov/comment/FTC-2023-0064-0958>.

<sup>3</sup> Comment of Jeremy Simmons, Advance Notice of Proposed Rulemaking on Unfair or Deceptive Fees, *Regulations.gov* (Nov. 8, 2022), <https://www.regulations.gov/comment/FTC-2022-0069-0032>.