



Institute for  
**Policy Integrity**  
NEW YORK UNIVERSITY SCHOOL OF LAW

**FOR IMMEDIATE RELEASE – October 11, 2023**

Contact: Derek Sylvan | (614) 638-8282 | [derek.sylvan@nyu.edu](mailto:derek.sylvan@nyu.edu)

## **STATEMENT ON FTC PROPOSED RULE TO BAN HIDDEN FEES FOR CONSUMERS**

*Rulemaking was initiated in response to petition from the Institute for Policy Integrity*

Today, the Federal Trade Commission (FTC) released a [proposed rule](#) that bans the use of “junk fees” in transactions including hotel reservations, vehicle rentals, and event ticket purchases. The rule would require sellers to present the full price upfront and disclose whether any fees are refundable.

This rulemaking was initiated in response to a [2021 petition](#) submitted by the Institute for Policy Integrity at NYU School of Law. Our petition, which was co-authored by two NYU Law students in our Regulatory Policy Clinic, called for a new rule banning the use of “drip pricing”—a strategy used by some sellers to lure in consumers by advertising deceptively low prices, only to reveal hidden mandatory fees after a consumer is on the verge of completing a transaction. In a [New York Times essay](#), petition co-author Max Sarinsky discussed how the FTC can address this problematic practice. Laura A. Figueroa, a former legal fellow at the Institute for Policy Integrity, also [testified at an FTC meeting](#) to discuss drip pricing and encourage the FTC to bar the practice.

Today’s proposed rule references the Institute for Policy Integrity and our work more than a dozen times, including both our petition and our [2023 comment letter](#) supporting the FTC’s authority to issue this regulation.

**Max Sarinsky**, senior attorney at the Institute for Policy Integrity at New York University School of Law and an author of the petition, issued the following statement:

*“Hidden charges should not be sprung upon consumers when they’re on the verge of making a purchase. By prohibiting this deceptive practice, today’s proposed rule from the Federal Trade Commission would save consumers time and money and make it easier to compare the actual prices of competing offers. The Commission should move ahead with finalizing this important proposal, which is broadly supported, sorely needed, and well within the agency’s authority.”*

Sarinsky is available for interviews on this issue.

###

**[The Institute for Policy Integrity](#)** at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decisionmaking. The institute produces original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.