



Institute for
Policy Integrity

NEW YORK UNIVERSITY SCHOOL OF LAW

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FTC GRANTS PETITION TO ADDRESS HIDDEN FEES FOR CONSUMERS

Institute for Policy Integrity petition spurs key rulemaking by Federal Trade Commission

Today, Today, the Federal Trade Commission (FTC) voted to issue an Advance Notice of Proposed Rulemaking on Junk Fees, and in doing so granted a [2021 petition](#) submitted by the Institute for Policy Integrity at NYU School of Law. Our petition 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. The practice is pervasive for concert and event ticket sales as well as hotel and vacation rentals, among other examples. In a [New York Times essay](#), petition co-author Max Sarinsky discussed how the FTC can address this problematic practice. Today’s Notice is a first step toward such action.

Laura A. Figueroa, a legal fellow at the Institute for Policy Integrity, [testified at today’s FTC meeting](#) to discuss drip pricing and encourage the FTC to bar the practice through this newly announced rulemaking.

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:

“Drip pricing has no legitimate business purpose and harms consumers. Regulating this pervasive practice will save consumers both time and money, and make it easier to compare the actual prices of competing offers. Today’s notice represents an important step in the effort to protect consumers from drip pricing, and the Commission should move ahead with regulating this deceptive practice.”

Figueroa and Sarinsky are available for interviews on this issue.

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[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.