

June 28, 2023

Lina M. Khan Chair Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580

Dear Chair Khan,

We write with concern regarding recent reports¹ that Marriott International is alleged to be charging a deceptive "junk fee" to customers under the guise of covering compliance with a Hotel Worker Protection Ordinance that took effect on August 12, 2022². We commend the Biden Administration and the Federal Trade Commission (FTC) for its efforts to improve transparency and minimize junk fees in the airline, event, and hospitality industries. As you are certainly aware, the FTC has authority to create rules that address junk fees that are unfair or deceptive and cause harm to American consumers.

According to reports, the above-mentioned "junk fees" purportedly range from \$10-14 per room per night, and would enable Marriott to collect an estimated \$3.6 million per year at one single hotel, the 1,004-room Los Angeles Airport Marriott. The hospitality industry is generating record profits, with 12-month RevPAR (Revenue per available room, the primary measure of hotel performance) exceeding 2019 levels every month in 2023³. The industry can and must protect workers and pay them fairly without charging deceptive fees.

If allowed to persist, we believe that the so-called "Hotel Worker Protection Ordinance Costs Surcharge" would set a dangerous precedent, potentially permitting hospitality companies to overcharge guests for alleged compliance with laws that protect workers from sexual harassment and assault by providing panic buttons, ensure fair pay for heavy workloads, and provide minimum wages. We believe it would be valuable for the FTC to use its discretion to investigate whether Marriott International has imposed a similar surcharge in other cities that have passed hotel worker protection laws, including Long Beach, Santa Monica, Glendale, West Hollywood, Irvine, Emeryville and Seattle. It is important to make clear that these fees will not be tolerated.

We request a meeting with the FTC to discuss future oversight and further collaboration on this vital issue, and appreciate your efforts looking into the matter.

¹ https://www.wsj.com/articles/hotel-guests-sue-marriott-saying-los-angeles-locations-charge-junk-fee-a479feb1

 $[\]textbf{2} \ \text{https://wagesla.lacity.org/sites/g/files/wph1941/files/2022-08/Hotel\%20Worker\%20Protection\%20Ordinance\%20Rules\%20and\%20Regulations_0.pdf$

 $^{{\}small 3\ https://www.ey.com/en_us/real-estate-hospitality-construction/hospitality-industry-looks-strong-for-2023-despite-recession-fears}$

Sincerely,

Katie Porter

Member of Congress

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Member of Congress