



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Darlyne Sullivan  
Executive Vice President &  
General Manager  
Atlantis Casino Resort Spa  
3800 South Virginia Street  
Reno, Nevada 89502

**WARNING LETTER**

Dear Ms. Sullivan:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

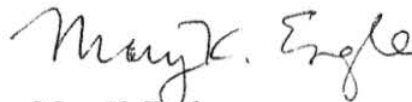
Attn: Darlyne Sullivan  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.atlantiscasino.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: John Farahi, CEO & COO  
Monarch Casinos and Resorts, Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

George P. Corchis, Jr., President  
Beau Rivage Resort & Casino  
875 Beach Boulevard  
Biloxi, Mississippi 39530

**WARNING LETTER**

Dear Mr. Corchis:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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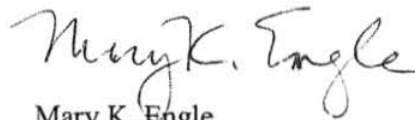
Attn: George P. Corchis, Jr.  
Page 2

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We reviewed your website at <http://www.beaurivage.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James J. Murren, Chairman & CEO  
MGM Resorts International



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Randy Morton  
President & Chief Operating Officer  
The Bellagio  
3600 Las Vegas Blvd South  
Las Vegas, Nevada 89109

**WARNING LETTER**

Dear Mr. Morton:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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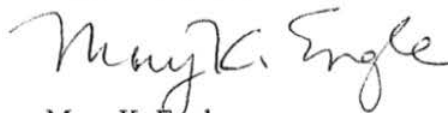
Attn: Randy Morton  
Page 2

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We reviewed your website at <http://www.bellagio.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James J. Murren, Chairman & CEO  
MGM Resorts International



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Mary Ward  
General Manager  
Comfort Inn  
8051 Peach Street  
Erie, Pennsylvania 16509

**WARNING LETTER**

Dear Ms. Ward:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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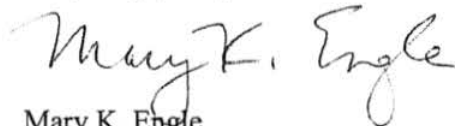
Attn: Mary Ward  
Page 2

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We reviewed your website at <http://www.comfortinn.com/hotel-erie-pennsylvania-PA108/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Stephen P. Joyce, President & CEO  
Choice Hotels International





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

General Manager  
Days Inn  
5858 International Drive  
Orlando, Florida 32819

**WARNING LETTER**

Dear Sir or Madam:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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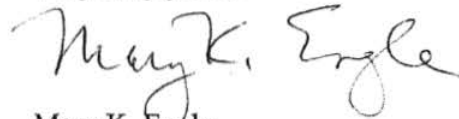
Attn: General Manager  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.daysinn.com/hotels/florida/orlando/days-inn-orlando-international-drive/hotel-overview/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Clyde Guinn, President  
Days Inns Worldwide



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Scott Butera  
Chief Executive Officer  
Foxwoods Resort Casino  
350 Trolley Line Boulevard  
Mashantucket, CT 06338

**WARNING LETTER**

Dear Mr. Butera:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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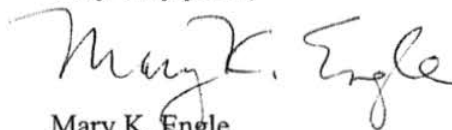
Attn: Scott Butera  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.foxwoods.com/default.aspx/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle

Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Peter Weien, General Manager  
The Gaylord Opryland  
Resort & Convention Center  
2800 Opryland Drive  
Nashville, Tennessee 37214

**WARNING LETTER**

Dear Mr. Weien:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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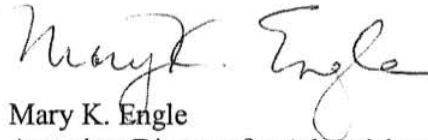
Attn: Peter Weien  
Page 2

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We reviewed your website at <http://www.gaylordhotels.com/gaylord-opryland/index.html/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Arne M. Sorenson, President & CEO  
Marriott International Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Kemp Gallineau  
Vice President & General Manager  
The Gaylord Palms  
Resort & Convention Center  
6000 West Osceola Parkway  
Kissimmee, Florida 34746

**WARNING LETTER**

Dear Mr. Gallineau:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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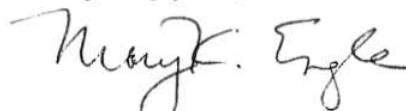
Attn: Kemp Gallineau  
Page 2

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We reviewed your website at <http://www.gaylordhotels.com/gaylord-palms/index.html/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Arne M. Sorenson, President & CEO  
Marriott International Inc.





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Michael Shaunnessy  
General Manager  
Gold Strike Casino Resort  
1010 Casino Center Drive  
Tunica Resorts, MS 38664

**WARNING LETTER**

Dear Mr. Shaunnessy:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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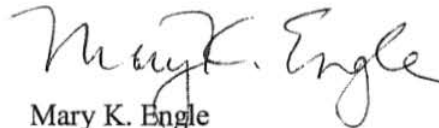
Attn: Michael Shaunnessy  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.goldstrikemississippi.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James J. Murren, Chairman & CEO  
MGM Resorts International



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Shamir Patel  
General Manager  
Howard Johnson  
6603 International Drive  
Orlando, Florida 32819

**WARNING LETTER**

Dear Shamir Patel:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

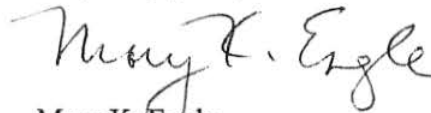
Attn: Shamir Patel  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.hojo.com/hotels/florida/orlando/howard-johnson-inn-orlando-international-drive/hotel-overview/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Mary K. Mahoney, President & CEO  
Howard Johnson International Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Paul Tang  
Vice President & Managing Director  
Hyatt Regency Grand Cypress  
1 Grand Cypress Boulevard  
Orlando, Florida 32836

### WARNING LETTER

Dear Mr. Tang:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

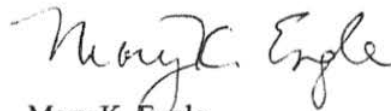
Attn: Paul Tang  
Page 2

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We reviewed your website at <http://grandcypress.hyatt.com/hyatt/hotels-grandcypress/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Mark S. Hoplamazian, President & CEO  
Hyatt Hotels Corporation



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Steve Dewire  
General Manager  
Hyatt Regency Lost Pines  
Resort and Spa  
575 Hyatt Lost Pines Rd  
Lost Pines, Texas 78612

**WARNING LETTER**

Dear Mr. Dewire:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

Attn: Steve Dewire  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://lostpines.hyatt.com/hyatt/hotels-lostpines/index.jsp?null/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Mark S. Hoplamazian, President & CEO  
Hyatt Hotels Corporation





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Jerry Westenhaver  
General Manager  
Hyatt Regency Waikiki Beach  
Resort and Spa  
2424 Kalakaua Avenue  
Honolulu, Hawaii 96815

**WARNING LETTER**

Dear Mr. Westenhaver:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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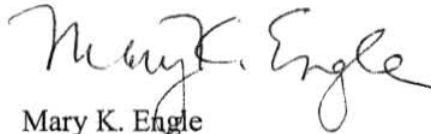
Attn: Jerry Westenhaver  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://waikiki.hyatt.com/hyatt/hotels-waikiki/index.jsp?null/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Mark S. Hoplamazian, President & CEO  
Hyatt Hotels Corporation



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Chuck Bowling  
President & Chief Operating Officer  
Mandalay Bay Resort & Casino  
3950 Las Vegas Boulevard  
Las Vegas, Nevada 89119

**WARNING LETTER**

Dear Mr. Bowling:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

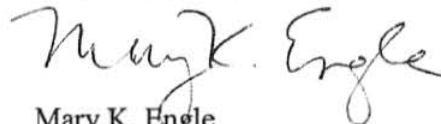
Attn: Chuck Bowling  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.mandalaybay.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James J. Murren, Chairman & CEO  
MGM Resorts International



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Cliff Atkinson  
General Manager  
Mandarin Oriental  
3752 Las Vegas Blvd. South  
Las Vegas, Nevada 89158

**WARNING LETTER**

Dear Mr. Atkinson:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

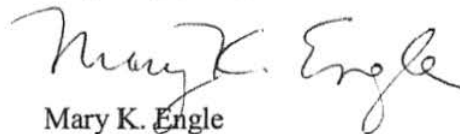
Attn: Cliff Atkinson  
Page 2

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We reviewed your website at <http://www.mandarinoriental.com/lasvegas/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Edouard Ettedgui, CEO  
Mandarin Oriental Hotel Group



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Gillian Murphy  
Senior Vice President &  
General Manager  
MGM Grand at Foxwoods  
240 MGM Grand Drive  
Mashantucket, CT 06338

**WARNING LETTER**

Dear Ms. Murphy:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

Attn: Gillian Murphy  
Page 2

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We reviewed your website at <http://www.foxwoods.com/mgmaccommodations.aspx/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,

A handwritten signature in cursive script that reads "Mary K. Engle". The signature is written in black ink and is positioned above the printed name and title.

Mary K. Engle  
Associate Director for Advertising Practices





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Scott Sibella  
President & Chief Operating Officer  
MGM Grand Hotel & Casino  
3799 Las Vegas Blvd South  
Las Vegas, Nevada 89109

**WARNING LETTER**

Dear Mr. Sibella:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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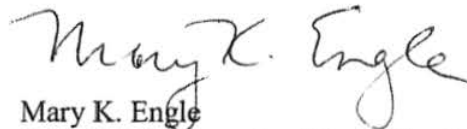
Attn: Scott Sibella  
Page 2

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We reviewed your website at <http://www.mgmgrand.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James J. Murren, Chairman & CEO  
MGM Resorts International



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Felix Rappaport  
President & Chief Operating Officer  
The Mirage  
3400 Las Vegas Blvd. South  
Las Vegas, Nevada 29109

**WARNING LETTER**

Dear Mr. Rappaport:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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Attn: Felix Rappaport  
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We reviewed your website at <http://www.mirage.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James J. Murren, Chairman & CEO  
MGM Resorts International



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Robert J. Soper  
President & Chief Executive Officer  
Mohegan Sun  
1 Mohegan Sun Boulevard  
Uncasville, CT 06382

**WARNING LETTER**

Dear Mr. Soper:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, FTC Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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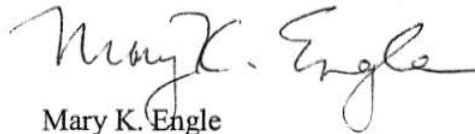
Attn: Robert J. Soper  
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We reviewed your website at <http://mohegansun.com/gateway/index.html/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

General Manager  
Monumental Hotel Orlando  
12120 International Drive  
Orlando, Florida 32821

**WARNING LETTER**

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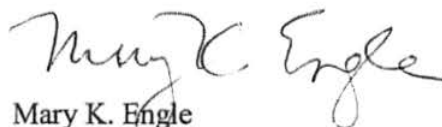
Attn: General Manager  
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We reviewed your website at <http://monumentalhotelorlando.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

Pat Flynn  
Executive Director of  
Hotel Operations & Sales  
Peppermill Hotel  
2707 S. Virginia Street  
Reno, Nevada 89502

**WARNING LETTER**

Dear Mr. Flynn:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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Attn: Pat Flynn  
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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Bill Paganetti, President  
Peppermill Resorts Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

November 26, 2012

General Manager  
Tuscana Resort  
1395 Tuscana Lane  
Champions Gate, FL 33896

**WARNING LETTER**

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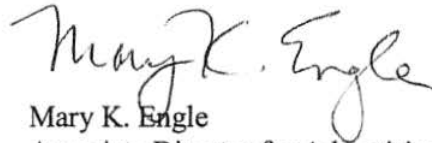
Attn: General Manager  
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We reviewed your website at <http://www.tuscanaresort.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

General Manager  
Aston Kaanapali Shores  
3445 Lower Honoapiilani Road  
Lahaina, HI 96761

**WARNING LETTER**

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General Manager  
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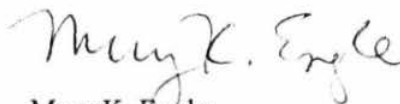
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You should also review the FTC's recently updated guidance document, *.comDisclosures: How to Make Effective Disclosures in Digital Advertising*, available at <http://ftc.gov/os/2013/03/130312dotcomdisclosures.pdf>, for instruction on how to disclose the existence and nature of mandatory fees earlier on in the online booking process before quoting the total price. The updated Dot Com Disclosures provides information that online and mobile advertisers should consider as they develop digital advertising. It notes that if a business advertises a product's basic cost on one page, the existence and nature of any unexpected additional fees should be prominently disclosed on the same page and immediately adjacent to the cost claim. The guidance also stresses that to ensure a disclosure is clear and conspicuous, it should be "as close as possible" to the relevant claim, and that advertisers should avoid using hyperlinks for disclosures that involve product cost.

Please send an email to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) by April 24, 2013, describing any actions that you have taken or intend to take in response to this letter to ensure your company's compliance with the FTC Act.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Andre S. Tatibouet  
Aston Hotels & Resorts, LLC.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

General Manager  
Eldorado Hotel Casino  
345 North Virginia Street  
Reno, NV 89501

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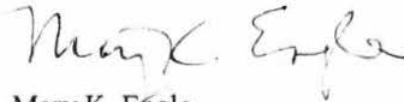
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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Keith E. Smith, President & CEO  
Boyd Gaming





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

General Manager  
Fiesta Henderson  
777 W Lake Mead, Pkwy  
Henderson, NV 89015

**WARNING LETTER**

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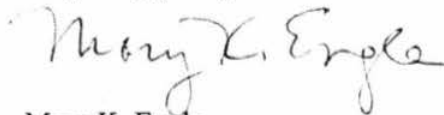
We reviewed your website at <https://fiestahenderson.sclv.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Frank J. Fertitta, III., Chairman & CEO  
Station Casinos, LLC.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Vince Parrotta  
Regional Vice President & General Manager  
Four Seasons Scottsdale  
10600 East Crescent Moon Dr.  
Scottsdale, AZ 85262

**WARNING LETTER**

Dear Mr. Parrotta:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

Mr. Vince Parrotta

Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

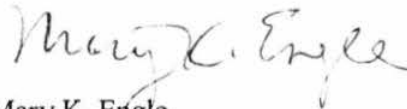
We reviewed your website at [www.fourseasons.com/scottsdale](http://www.fourseasons.com/scottsdale) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

You should also review the FTC's recently updated guidance document, *.comDisclosures: How to Make Effective Disclosures in Digital Advertising*, available at <http://ftc.gov/os/2013/03/130312dotcomdisclosures.pdf>, for instruction on how to disclose the existence and nature of mandatory fees earlier on in the online booking process before quoting the total price. The updated Dot Com Disclosures provides information that online and mobile advertisers should consider as they develop digital advertising. It notes that if a business advertises a product's basic cost on one page, the existence and nature of any unexpected additional fees should be prominently disclosed on the same page and immediately adjacent to the cost claim. The guidance also stresses that to ensure a disclosure is clear and conspicuous, it should be "as close as possible" to the relevant claim, and that advertisers should avoid using hyperlinks for disclosures that involve product cost.

Please send an email to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) by April 24, 2013, describing any actions that you have taken or intend to take in response to this letter to ensure your company's compliance with the FTC Act.

Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle

Associate Director for Advertising Practices

cc: Isadore Sharp, Founder & Chairman  
Four Seasons Hotels & Resorts



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Joseph Magliarditi  
President & CEO  
Hard Rock Hotel & Casino  
4455 Paradise Road  
Las Vegas, NV 89169

**WARNING LETTER**

Dear Mr. Magliarditi:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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Mr. Joseph Magliarditi  
Page 2

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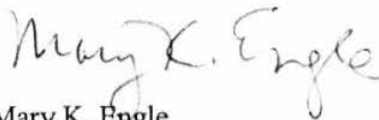
We reviewed your website at [www.hardrockhotel.com](http://www.hardrockhotel.com) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Hamish Dodds, President & CEO  
Hard Rock Cafe International, Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Craig Anderson  
General Manager  
Moana Surfrider  
A Westin Resort & Spa  
2365 Kalakaua Avenue  
Honolulu, HI 96815

**WARNING LETTER**

Dear Mr. Anderson:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

Mr. Craig Anderson  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.moana-surfrider.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Frits van Paasschen, President & CEO  
Starwood Hotels & Resorts Worldwide, Inc.





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Mark Dunkenson  
General Manager  
Red Rock Casino Resort Spa  
11011 West Charleston Blvd.  
Las Vegas, NV 89135

**WARNING LETTER**

Dear Mr. Dunkenson:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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Mr. Mark Dunkenson  
Page 2

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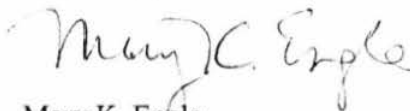
We reviewed your website at <https://redrock.sclv.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Frank J. Fertitta, III, Chairman & CEO  
Station Casinos, LLC.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Stephen F. Benson  
General Manager  
Royal Palms Resort  
5200 East Camelback Road  
Phoenix, AZ 85018

**WARNING LETTER**

Dear Mr. Benson:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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Mr. Stephen F. Benson  
Page 2

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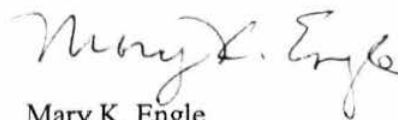
We reviewed your website at [www.royalpalmshotel.com](http://www.royalpalmshotel.com) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: James Sabatier, President & COO  
Destination Hotels & Resorts



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Kelly Sanders  
General Manager  
Sheraton Waikiki Hotel  
2255 Kalakaua Ave  
Honolulu, HI 96815

**WARNING LETTER**

Dear Ms. Sanders:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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Ms. Kelly Sanders  
Page 2

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We reviewed your website at [www.sheraton-waikiki.com](http://www.sheraton-waikiki.com) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Frits van Paasschen, President & CEO  
Starwood Hotels & Resorts Worldwide, Inc.



Division of Advertising Practices

United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

April 11, 2013

General Manager  
Stratosphere Casino, Hotel & Tower  
2000 S. Las Vegas Blvd  
Las Vegas, NV 89104

**WARNING LETTER**

Dear Sir or Madam:

The Federal Trade Commission ("FTC") has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

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We reviewed your website at [www.stratospherehotel.com](http://www.stratospherehotel.com) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

General Manager  
Treasure Island  
3300 S. Las Vegas Blvd  
Las Vegas, NV 89109

**WARNING LETTER**

Dear Sir or Madam:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online hotel reservation sites, and has confirmed that some hotels exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the quoted price is accompanied by an asterisk that leads consumers to another location at the site – sometimes on the same page, sometimes not – where the applicable resort fee is disclosed, typically in fine print. A few sites fail to identify applicable resort fees anywhere, and instead inform consumers that other undefined fees may apply.

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online hotel reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a hotel reservation site may breakdown the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

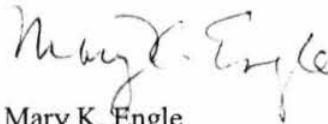
We reviewed your website at [www.treasureisland.com](http://www.treasureisland.com) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

You should also review the FTC's recently updated guidance document, *.comDisclosures: How to Make Effective Disclosures in Digital Advertising*, available at <http://ftc.gov/os/2013/03/130312dotcomdisclosures.pdf>, for instruction on how to disclose the existence and nature of mandatory fees earlier on in the online booking process before quoting the total price. The updated Dot Com Disclosures provides information that online and mobile advertisers should consider as they develop digital advertising. It notes that if a business advertises a product's basic cost on one page, the existence and nature of any unexpected additional fees should be prominently disclosed on the same page and immediately adjacent to the cost claim. The guidance also stresses that to ensure a disclosure is clear and conspicuous, it should be "as close as possible" to the relevant claim, and that advertisers should avoid using hyperlinks for disclosures that involve product cost.

Please send an email to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) by April 24, 2013, describing any actions that you have taken or intend to take in response to this letter to ensure your company's compliance with the FTC Act.

Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

General Manager  
Trump International Hotel  
2000 Fashion Show Drive  
Las Vegas, NV 89109

**WARNING LETTER**

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General Manager  
Page 2

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We reviewed your website at [trumphotelcollection.com/las-vegas](http://trumphotelcollection.com/las-vegas) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Jim Petrus, COO  
The Trump Hotel Collection



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

April 11, 2013

Brian Gullbrants  
General Manager  
Wynn Las Vegas & Encore Hotel  
3131 Las Vegas Blvd. South  
Las Vegas, NV 89109

**WARNING LETTER**

Dear Mr. Gullbrants:

The Federal Trade Commission (“FTC”) has investigated whether certain hotel operators are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the hotel room reservation price quoted to consumers.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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Mr. Brian Gullbrants

Page 2

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We reviewed your website at [www.wynnlasvegas.com](http://www.wynnlasvegas.com) and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation to stay in your hotel. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Stephen A. Wynn, Chairman & CEO  
Wynn Resorts, Ltd.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Darren R. Huston  
Chief Executive Officer  
Booking.com B.V.  
Weteringschans 28-3  
Amsterdam, Netherlands 1017 SG

**WARNING LETTER**

Dear Mr. Huston:

The Federal Trade Commission ("FTC") has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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FTC staff has reviewed a number of online reservation sites, and has confirmed that in some instances online travel companies exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the resort fee is buried in fine print or revealed through a hyperlink.

Mr. Darren R. Huston  
Page 2

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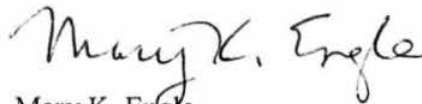
We reviewed your website at <http://www.booking.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Jeffery Boyd  
President & CEO  
Priceline.com, Inc.





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Arthur Finlaw  
President & CEO  
Bookit.com, Inc.  
14251 Panama City Beach Parkway  
Panama City Beach, FL 32413

**WARNING LETTER**

Dear Mr. Finlaw:

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Mr. Arthur Finlaw  
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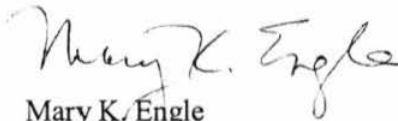
We reviewed your website at <http://bookit.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Dara Khasrowshahi  
President & CEO  
Expedia, Inc.  
333 108th Avenue NE  
Bellevue, WA 98004

**WARNING LETTER**

Dear Dara Khasrowshahi:

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FTC staff has reviewed a number of online reservation sites, and has confirmed that in some instances online travel companies exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the resort fee is buried in fine print or revealed through a hyperlink.

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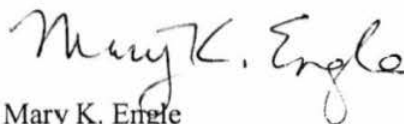
We reviewed your website at <http://www.expedia.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers using your website's traditional search engine. Our review also revealed that your website's opaque model, which does not identify the selected hotel until after the consumer finalizes a non-refundable reservation, similarly fails to provide a total inclusive estimate. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Scott Booker, President  
Hotels.com L.P.  
10440 N. Central Expressway  
Suite 400  
Dallas, TX 75231

**WARNING LETTER**

Dear Mr. Booker:

The Federal Trade Commission ("FTC") has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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Mr. Scott Booker  
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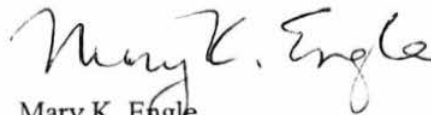
We reviewed your website at <http://www.hotels.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Dara Khasrowshahi  
President & CEO  
Expedia, Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Clem Bason, President  
Hotwire, Inc.  
333 Market Street, Suite 100  
San Francisco, CA 94105

**WARNING LETTER**

Dear Mr. Bason:

The Federal Trade Commission ("FTC") has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

On May 21, 2012, the FTC held a conference on "drip pricing," defined broadly as a pricing technique in which firms advertise only part of a product's price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as "resort fees." These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online reservation sites, and has confirmed that in some instances online travel companies exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the resort fee is buried in fine print or revealed through a hyperlink.

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online reservation sites should include in the quoted

Mr. Clem Bason  
Page 2

total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a reservation site may break down the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

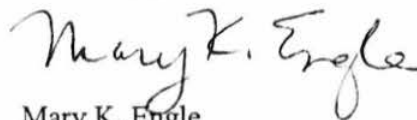
We reviewed your website at <http://www.hotwire.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers using your website's traditional search engine. Our review also revealed that your website's opaque model, which does not identify the selected hotel until after the consumer finalizes a non-refundable reservation, similarly fails to provide a total inclusive estimate. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

You should also review the FTC's recently updated guidance document, *.comDisclosures: How to Make Effective Disclosures in Digital Advertising*, available at <http://ftc.gov/os/2013/03/130312dotcomdisclosures.pdf>, for instruction on how to disclose the existence and nature of mandatory fees earlier on in the online booking process before quoting the total price. The updated Dot Com Disclosures provides information that online and mobile advertisers should consider as they develop digital advertising. It notes that if a business advertises a product's basic cost on one page, the existence and nature of any unexpected additional fees should be prominently disclosed on the same page and immediately adjacent to the cost claim. The guidance also stresses that to ensure a disclosure is clear and conspicuous, it should be "as close as possible" to the relevant claim, and that advertisers should avoid using hyperlinks for disclosures that involve product cost.

Please send an email to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) by June 12, 2013, describing any actions that you have taken or intend to take in response to this letter to ensure your company's compliance with the FTC Act.

Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Dara Khasrowshahi  
President & CEO  
Expedia, Inc.





United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Jeffery Boyd  
President & CEO  
Priceline.com, Inc.  
800 Connecticut Avenue  
Norwalk, CT 06854

**WARNING LETTER**

Dear Mr. Boyd:

The Federal Trade Commission (“FTC”) has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

On May 21, 2012, the FTC held a conference on “drip pricing,” defined broadly as a pricing technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. At the conference, then Chairman Jon Leibowitz asked consumers to share their drip pricing stories with the FTC. One common complaint consumers raised involved mandatory fees hotels charge for amenities such as newspapers, use of onsite exercise or pool facilities, or internet access, sometimes referred to as “resort fees.” These mandatory fees can be as high as \$30 per night, a sum that could certainly affect consumer purchasing decisions.

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FTC staff has reviewed a number of online reservation sites, and has confirmed that in some instances online travel companies exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the resort fee is buried in fine print or revealed through a hyperlink.

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a reservation site may break down the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

We reviewed your website at <http://www.priceline.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers using your website's traditional search engine. Our review also revealed that Priceline's "Express Deals" opaque model, which does not identify the selected hotel until after the consumer finalizes a non-refundable reservation, quotes a "Total Price" that omits mandatory resort fees, and discloses the fees only in fine print. Further, Priceline's "Name Your Own Price" opaque model is even less forthcoming, as consumers who submit a bid for a hotel stay receive no disclosure at all of the mandatory resort fee amount before making a non-refundable purchase. We also note that Priceline's general resort fee disclaimers, accessible only through hyperlinks, do not disclose the existence and nature of the property-specific resort fees applicable to a consumer's particular transaction.

We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

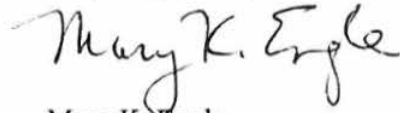
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Jeffery Boyd  
Page 3

Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,

A handwritten signature in black ink that reads "Mary K. Engle". The signature is written in a cursive style with a large, prominent "M" and "E".

Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Barney Harford  
Chief Executive Officer  
Orbitz Worldwide, Inc.  
500 W. Madison Avenue  
Suite 1000  
Chicago, IL 60661

**WARNING LETTER**

Dear Mr. Harford:

The Federal Trade Commission ("FTC") has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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Specifically, consumers complained that they did not know that they would be required to pay resort fees in addition to the quoted hotel room rate. Several stated that they only learned of the fees after they arrived at the hotel, long after making a reservation at what they believed to be the total room price. Others paid for the reservation in advance, and only found out after they arrived at the hotel that they would have to pay additional mandatory fees.

FTC staff has reviewed a number of online reservation sites, and has confirmed that in some instances online travel companies exclude resort fees from the quoted reservation price. Instead, the "total price" or "estimated price" quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the resort fee is buried in fine print or revealed through a hyperlink.

Mr. Barney Harford  
Page 2

These practices may violate the law by misrepresenting the price consumers can expect to pay for their hotel rooms. We believe that online reservation sites should include in the quoted total price any unavoidable and mandatory fees, such as resort fees, that consumers will be charged to stay at the hotel. While a reservation site may break down the components of the reservation estimate (e.g., room rate, estimated taxes, and any mandatory, unavoidable fees), the most prominent figure for consumers should be the total inclusive estimate.

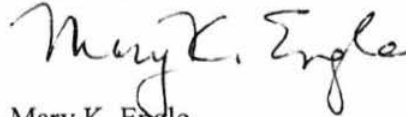
We reviewed your website at <http://www.orbitz.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle

Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Ray Vastola, President  
Quikbook, Inc.  
381 Park Avenue South  
New York, NY 10016

**WARNING LETTER**

Dear Mr. Vastola:

The Federal Trade Commission (“FTC”) has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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FTC staff has reviewed a number of online reservation sites, and has confirmed that in some instances online travel companies exclude resort fees from the quoted reservation price. Instead, the “total price” or “estimated price” quoted to consumers includes only the room rate and applicable taxes. At some of these sites, the applicable resort fee is listed nearby, but separate from, the quoted price. In others, the resort fee is buried in fine print or revealed through a hyperlink.

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Mr. Ray Vastola  
Page 2

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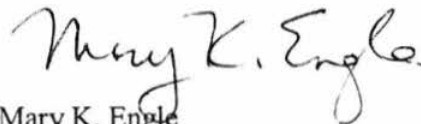
We reviewed your website at <http://www.quikbook.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers using your website's traditional search engine. Our review also revealed that your website's opaque model, which does not identify the selected hotel until after the consumer finalizes a non-refundable reservation, similarly fails to provide a total inclusive estimate. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Chris Orton, President  
Trip Network, Inc. (d/b/a CheapTickets)  
400 Interpace Parkway  
Building A  
Parsippany, NJ 07054

**WARNING LETTER**

Dear Mr. Orton:

The Federal Trade Commission ("FTC") has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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Mr. Chris Orton  
Page 2

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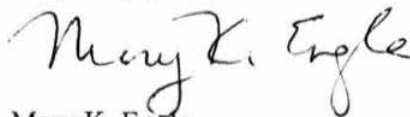
We reviewed your website at <http://www.cheaptickets.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Barney Harford  
Chief Executive Officer  
Orbitz Worldwide, Inc.



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Carl Sparks, President & CEO  
Travelocity.com LP  
3150 Sabre Dr.  
Southlake, TX 76092

**WARNING LETTER**

Dear Mr. Sparks:

The Federal Trade Commission (“FTC”) has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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Mr. Carl Sparks  
Page 2

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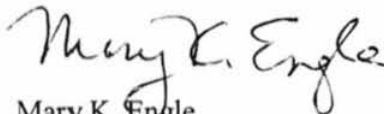
We reviewed your website at <http://www.travelocity.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers using your website's traditional search engine. Our review also revealed that your website's opaque model, which does not identify the selected hotel until after the consumer finalizes a non-refundable reservation, similarly fails to provide a total inclusive estimate. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

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Very truly yours,



Mary K. Engle  
Associate Director for Advertising Practices

cc: Thomas Klein, President  
Sabre Holdings Corporation



United States of America  
FEDERAL TRADE COMMISSION  
Washington, DC 20580

Division of Advertising Practices

June 3, 2013

Jim Gibson, President  
Vegas.com  
2370 Corporate Circle  
3rd Floor  
Henderson, NV 89074

**WARNING LETTER**

Dear Mr. Gibson:

The Federal Trade Commission (“FTC”) has investigated whether certain online travel companies are violating Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), by misrepresenting the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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Mr. Jim Gibson  
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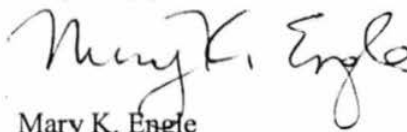
We reviewed your website at <http://www.vegas.com/> and found that in at least some instances mandatory resort fees are not included in the reservation rate quoted to consumers. We strongly encourage you to review your company's website to ensure you are not misrepresenting the total price consumers can expect to pay when making a reservation that includes a hotel stay. Please be advised that the FTC may take action to enforce and seek redress for any violations of the FTC Act as the public interest may require.

You should also review the FTC's recently updated guidance document, *.comDisclosures: How to Make Effective Disclosures in Digital Advertising*, available at <http://ftc.gov/os/2013/03/130312dotcomdisclosures.pdf>, for instruction on how to disclose the existence and nature of mandatory fees earlier on in the online booking process before quoting the total price. The updated Dot Com Disclosures provides information that online and mobile advertisers should consider as they develop digital advertising. It notes that if a business advertises a product's basic cost on one page, the existence and nature of any unexpected additional fees should be prominently disclosed on the same page and immediately adjacent to the cost claim. The guidance also stresses that to ensure a disclosure is clear and conspicuous, it should be "as close as possible" to the relevant claim, and that advertisers should avoid using hyperlinks for disclosures that involve product cost.

Please send an email to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) by June 12, 2013, describing any actions that you have taken or intend to take in response to this letter to ensure your company's compliance with the FTC Act.

Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at [asoberats@ftc.gov](mailto:asoberats@ftc.gov) or at 202-326-2921.

Very truly yours,



Mary K. Engle

Associate Director for Advertising Practices