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 http://www.astonkaanapalishoresresort.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 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

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

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We reviewed your website at http://www.eldoradoreno.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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Please send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Keith E. Smith, President & CEO
Boyd Gaming
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 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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Please send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Frank J. Fertitta, III., Chairman & CEO
Station Casinos, LLC.
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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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.
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We reviewed your website at 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.

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Please send an email to Annette Soberats at 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 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
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.

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We reviewed your website at 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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Please send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

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

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Mr. Craig Anderson  
Page 2

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

Very truly yours,

Mary K. Engle  
Associate Director for Advertising Practices

cc: Frits van Paaschinen, President & CEO  
Starwood Hotels & Resorts Worldwide, Inc.
WARNING LETTER

Dear Mr. Dunkenson:

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

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Frank J. Fertitta, III, Chairman & CEO
Station Casinos, LLC.
Stephen F. Benson  
General Manager  
Royal Palms Resort  
5200 East Camelback Road  
Phoenix, AZ 85018

WARNING LETTER

Dear Mr. Benson:

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We reviewed your website at www.royalpalmhotel.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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Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at asoberats@ftc.gov or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

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

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.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.

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 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

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

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 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices
WARNING LETTER

Dear Sir or Madam:

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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.
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We reviewed your website at 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.

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Please send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices
General Manager
Trump International Hotel
2000 Fashion Show Drive
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.

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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.
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We reviewed your website at 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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Please send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Jim Petrus, COO
The Trump Hotel Collection
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.

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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.
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We reviewed your website at 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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Please send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

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

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.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.

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 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.

We request that you send an email to Annette Soberats at 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

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

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

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices
June 3, 2013

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

WARNING LETTER

Dear Dara Khasrowshahi:

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 misrepresented the reservation price quoted to consumers for a hotel stay or for packages including a hotel component.

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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.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.

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.

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

Very truly yours,

Mary K. Engle
Associate Director for 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.

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 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.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.

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 a soberats@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 a soberats@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.
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.

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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 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Dara Khasrowshahi
President & CEO
Expedia, Inc.
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.

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 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.

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.

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

Very truly yours,

Mary K. Engle
Associate Director for 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.

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.
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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.

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 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for 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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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
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.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.

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 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 or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices
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.

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

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Barney Harford
Chief Executive Officer
Orbitz Worldwide, Inc.
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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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.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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Thank you for your attention to this matter. Any inquiries concerning this letter should be directed to Annette Soberats at asoberats@ftc.gov or at 202-326-2921.

Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices

cc: Thomas Klein, President
Sabre Holdings Corporation
 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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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.

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Very truly yours,

Mary K. Engle
Associate Director for Advertising Practices