

## DRAFT COMMENTARY AND TALKING POINTS ON FEES

### Sample Response

*Hotels are in the people business and are committed to transparency and guest satisfaction. As such, hotels that charge a resort fee are careful to follow guidance from the Federal Trade Commission to ensure transparency and real, tangible value for the consumer. Consumers booking directly with a hotel are provided a detailed cost breakout, including any fees and taxes prior to the final transaction. This allows consumers to evaluate whether a property meets their needs and budget. Having all the information ahead of time allows consumers to choose the best fit for their situation.*

*It's important to note that third-party travel websites may not provide the same transparency and cost breakouts as booking directly with the hotel, and may charge additional service fees that are not disclosed. We encourage consumers to book directly with the hotel or a trusted travel agent to ensure they understand the breakdown of costs in advance.*

### Talking Points

- Transparency and guest satisfaction are at the core of the hotel industry's business model.
- Hotels that charge resort fees are careful to follow guidance from the Federal Trade Commission. Consumers booking directly with the hotel are provided a detailed cost breakout, including any fees and taxes prior to the final transaction, to evaluate whether that property meets their needs and budget.
- Most destinations have a wide variety of accommodation options available. Having all the information ahead of time allows consumers to choose the best fit for their situation.
- Resort fees are not a factor in most hotel stays.
- An annual industry survey shows that just 6 percent of hotels charge resort fees, a trend that has been relatively stable since 2006 (2018 American Hotel & Lodging Association Survey)
- Only 34 percent of consumers report having *ever* stayed at a hotel with a mandatory resort fee (October 2018 Morning Consult survey)
- It's important to note that third-party travel websites may not provide the same transparency and cost breakouts as booking directly with the hotel, and may charge additional service fees that are not disclosed. Our industry encourages consumers to book directly with the hotel or a trusted travel agent, so they understand the breakdown of costs in advance.

*See "Facts on Mandatory Resort Fees" on reverse*

## ***Facts on Mandatory Resort Fees***

### **What are Resort Fees?**

- Resort fees, often called amenity fees, cover the costs of a range of hotel amenities, from pool use, gym access, towel services, to Wi-Fi and newspapers.
- These mandatory fees are usually “bundled” to provide guests with a better value for these services that would otherwise cost more if charged individually.
- Mandatory resort fees are different than fees that include taxes or additional surcharges.
- Mandatory resort fees are not widespread in the hotel industry.
- Contrary to reports, resort fees have steadily declined over the past decade.
- According to a comprehensive survey on hotel trends, a mere seven percent of hotels charged mandatory resort fees in 2014.<sup>1</sup>
- That percentage has remained under seven percent since 2000.

### **Hotels Disclose Resort Fees Transparently to Consumers Prior to Booking**

- Resort fees are fully disclosed up front and clear to the consumer at the time of booking and remain transparent to the consumer.
- When consumers book directly with the hotel, either on the hotel’s website or through the reservation phone line, all fees, including any resort fees that are included, are displayed.

### **Online Travel Agencies Should Disclose Resort Fees Transparently to Consumer Prior to Booking, Including Misleading Taxes and Fees**

- Online travel agencies should be ensuring that fees are disclosed transparently to the consumer
- In many jurisdictions online travel agencies are pocketing consumers tax dollars, and with the consumer never the wiser.

### **The Federal Trade Commission (FTC) Has Reviewed and Provided Guidance on Resort Fees**

- In 2012, the FTC looked into the transparency of resort fees and provided industry guidance.
- The FTC conveyed that as long as these fees are disclosed upfront and clear to the consumer, then there is no indication of deceptive practices.

*1. STR, “The 2014 Lodging Study Hotel Trends: An Inside Look at Popular Amenities and Guest Services.” The study consisted of more than 9,600 participants, it is the most comprehensive analysis of the trends in the hotel and lodging industry based on direct feedback from hotels. Respondents are also representative of the geographic makeup of the hotel industry. Released December 2014.*