UC Berkeley Center for Consumer Law & Economic Justice

Testimony as Prepared for Delivery
Before the New York City Department of Consumer and Worker Protection
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Good morning, and thank you for the opportunity to testify. My name is Sam Levine, and I'm a Senior Fellow at UC Berkeley's Center for Consumer Law and Economic Justice. Until January I led the Federal Trade Commission's Bureau of Consumer Protection, where I spearheaded our work against junk fees. And as of June, I'm proud to call myself a New Yorker.

I strongly support DCWP's proposal to ban junk fees in the hotel industry. I want to highlight three key benefits of this rule: saving consumers time and money, creating a fairer playing field for honest hotels, and filling the gap left by weakened federal enforcement. My testimony today supplements more detailed written comments prepared with the help of an outstanding Berkeley Law student, Mia Machado.

The first and most immediate benefit is saving consumers both time and money. We all know that affordability is one of the biggest challenges facing New Yorkers today. Moreover, travelers to this global destination are increasingly frustrated by opaque pricing that tricks them into paying more and wastes their time. By requiring clear, upfront prices, this proposal tackles both problems. Hotels will have to compete openly on price, which will help bring costs down. And consumers will save time by seeing the total price upfront, rather than clicking through a booking process only to be surprised by hidden fees at the end.

Savings for consumers can add up quickly. An FTC analysis found that eliminating hidden hotel fees would save consumers nationwide between $670 million and $980 million annually.[1] Adjusting that for the city's population, New Yorkers could realize savings of between $16.75 million and $24.5 million each year – and likely more, given New Yorkers' love of travel.

The second key benefit – touted both by industry and consumer groups – is creating a level playing field for honest hotels. Without strong rules, hotels are rewarded not for offering the best value, but for how well they can disguise the true cost of a stay. A clear rule flips those incentives. It rewards hotels that compete fairly and deliver value, rather than deception.

Finally, New York's proposed rule would help close the widening gap in federal enforcement. The FTC's Junk Fee Rule is now on the books. But the agency's Trump-appointed Chair, Andrew Ferguson, opposed the rule and has urged Congress to cut the agency's budget. Even if the FTC presses ahead, I can personally attest that the FTC depends on strong local partners to

[1] FTC, Trade Regulation Rule on Unfair or Deceptive Fees, 16 C.F.R. Part 464 (2024), Final Rule, Statement of Basis & Purpose, R207011

take on the range of abuses consumers face. This proposal can help ensure that federal fecklessness is not a green light to prey on New Yorkers.

To conclude, I applaud your efforts to make life easier and more affordable for New Yorkers and for the many visitors who come to our city. My colleagues and I stand ready to support your efforts in any way we can.