

Congress of the United States

Washington, DC 20515

June 17, 2024

The Honorable Lina Khan
Chair
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, D.C., 20580

Dear Chairwoman Khan,

We continue to be concerned with the broad scope of transactions deemed as “junk fees” under the Commission’s “Trade Regulation on Unfair and Deceptive Fees” Notice of Proposed Rulemaking. To be clear, protecting consumers from unadvertised, hidden fees that are truly deceptive is an important goal, but not every fee or surcharge rises to the level of “junk fee.” There are well-established, transparent fees, particularly in the restaurant context that serve specific business purposes for the betterment of the consumer and business owner.

Restaurants are a vital presence to local economies and everyday Americans. Restaurant customers expect menu prices to reflect the cost of prepared food and beverages, but they also recognize there may be additional fees associated with providing a tailored dining experience with increased convenience.

Restaurants price their menus under the assumption that the customer will dine on-premises, but many consumers also opt for delivery. It is not unreasonable or unexpected for a restaurant to add a clearly labeled delivery fee to the final bill to compensate for the additional delivery expense. They also recognize that delivery charges can fluctuate based on a host of factors.

Similarly, restaurants often notify a large dine-in party prior to being seated or while making a reservation of an additional service charge. Large party service fees ensure waitstaff assigned to parties that exceed normal demands receive commensurate compensation.

Further, as jurisdictions take different approaches to compensate tipped employees, some restaurants have notified customers of additional service charges that are directed to the staff.

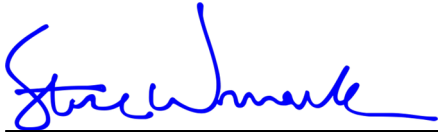
Notably, breaking down these fees provides transparency and helps clarify for the consumers the additional cost of providing the service they are requesting.

The FTC proposal mischaracterizes all restaurant fees and surcharges as “junk fees” that must be included within a “total price” for each menu item. Under this plan, operators would have to significantly raise prices in order to comply. While the proposal could impact every type of restaurant, we are particularly concerned about the impact on small and independent restaurants, particularly in small or rural communities.

As you continue to review feedback on the proposed rule and consider its application to restaurants, we urge you to allow restaurants’ transparent and well-established business practices to continue.

Thank you in advance for your attention to this important matter.

Sincerely,



Steve Womack
Member of Congress



Mike Bost
Member of Congress



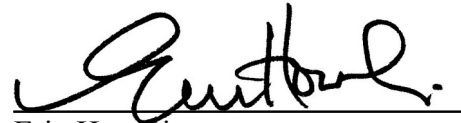
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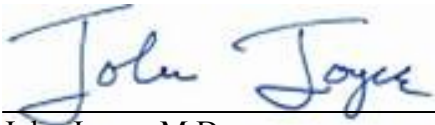
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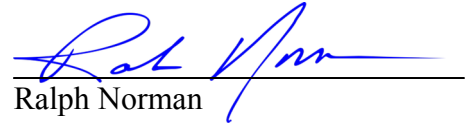
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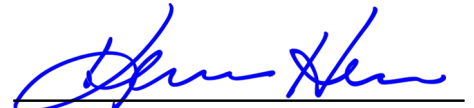
Nick LaLota
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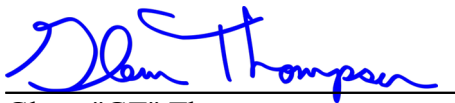
Garret Graves
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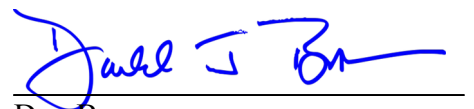
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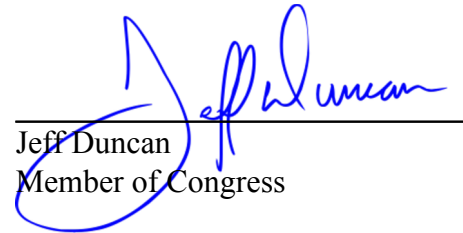
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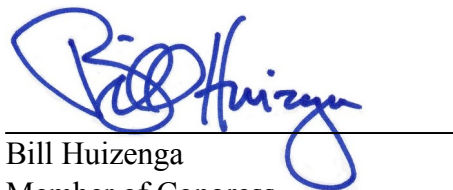
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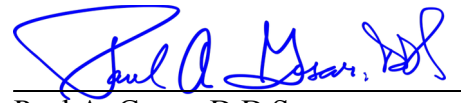
Bill Huizenga
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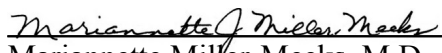
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