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May 19, 2015

VIA ELECTRONIC TRANSMISSION

The Honorable Edith Ramirez
Chairwoman, Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Ramirez:

I write to bring to your attention a matter that may fall under the purview of the Federal Trade Commission. I have heard concerns with the practices and legitimacy of certain third party online hotel room booking services. Recent news reports have highlighted these potentially deceptive practices and their impact on consumers across the country.

According to these reports, consumers have found themselves inadvertently booking hotel rooms online with third-party companies that they initially believed were the official websites of well-known hotel chains. These consumers subsequently discovered that they had provided their payment information to companies unauthorized by, and unaffiliated with, legitimate hotel chains or travel services. It appears that many of these third-party companies may be using marketing or other strategies—such as websites with a hotel's trademarks and imagery—designed to lead consumers to trust that they are booking directly with their hotel of choice.

I have been made aware of other potentially problematic practices used by unauthorized third-party booking services. Some operate "call centers" which, upon speaking with a potential customer, purport to be the official reservation service of the customer's intended hotel of choice and require the customer to pre-pay for the reservation, making it difficult or impossible to change or cancel reservations at a later date. Allegedly some customers have purchased reservations through a third-party service, specifically requesting a room with disability access, but arrive at their hotel only to discover that there is no record of such request. It also has been

reported that certain services have gone so far as to include a hotel chain's name in its URL without authorization, so that even tech-savvy customers conducting due diligence believe they are booking with the hotel's official website.

At the very least, many consumers have found themselves frustrated in not receiving what they thought they had paid for, such as a room with particular amenities. At worst, consumers may be providing their payment information to companies that, through the use of hidden booking fees, end up charging more than what the hotel of choice would have charged for the same room, or they may be exposing their payment information to unsecure networks.

Considering the Commission's role in protecting American consumers, I encourage you to look into these allegations. If the Commission has already initiated an inquiry, I ask that you provide me with an update on its efforts.

Sincerely,


Charles E. Grassley
Chairman