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State Leaders Meet with White House, FTC Officials to Tackle Deceptive Junk Fees

12 states move to implement successful Biden playbook on junk fees

Washington – Today, senior state officials and lawmakers met with top officials from the Federal Trade Commission (FTC) and the White House to discuss strategies for curbing deceptive junk fees. The series of meetings brings together lawmakers from different states to hear directly from federal regulators and decision-makers who have recently taken action against harmful fees, which disproportionately impact working families and hinder fair market competition.



The delegation met with FTC Commissioner Bedoya (left) and with the Biden Administration National Economic Council's Jon Donenberg and Michael Negron at the White House (right) | Photo Credit: ESPA

Attendees at today's meetings included Illinois Attorney General Kwame Raoul, Illinois Treasurer Michael Frerichs, Virginia Senator Stella Pekarsky, North Carolina Rep. Tim Longest, Illinois Sen. Omar Aquino, Illinois Rep. Bob Morgan, and California Special Assistant Attorney Eleanor Blume.

Twelve states have already [introduced bills](#) this year to crack down on junk fees. Economic Security Project (ESP) and the American Economic Liberties Project (AELP) have backed state leaders in their campaigns to ban junk fees, which are overwhelmingly popular. A significant [83%](#) of voters have

expressed support for legislation that bans these deceptive pricing practices.

"We're encouraged that state leaders are racing ahead to curb the harms of junk fees, which has been a massive priority of the Biden Administration," said **Ameya Pawar, Senior Advisor at Economic Security Project and Economic Security Project Action**. "For far too long, junk fees have quelled innovation and harmed American families. What we know is that when states take action, it can spur industries and corporate leaders to change their tactics, which ultimately shapes the broader marketplace for the better. We applaud these state and federal leaders for their commitment to ensuring transparency in the marketplace."

Junk fees, hidden charges that mislead consumers about the true cost of products and services, have become pervasive across various sectors, appearing on receipts for cable and phone bills, rental housing, automotive sales, food delivery services, tax prep services, and more. Each year, corporations charge Americans billions in junk fees, which cost the average family over \$3,000. These fees, often buried in fine print or revealed after transactions, strain household budgets and erode trust between consumers and businesses. Meanwhile, corporations are able to consolidate their market power, leading to deceptive pricing schemes and higher costs for consumers, and, ultimately, leaving small businesses and American families in the dust.

Following the meeting at the White House, Economic Security Project and American Economic Liberties Project hosted a private lunch nearby where Former National Economic Council Deputy Director and current ESP Senior Advisor **Bharat Ramamurti**, White House Special Assistant to the President for Economic Policy **Michael Negron**, and Director of the FTC's Bureau Consumer Protection **Samuel Levine** joined the state lawmakers to continue the discussion on junk fees.

Today's meetings begin a week of action from the White House on junk fees. The Biden Administration will host a virtual webinar on Wednesday, April 24, with **Lael Brainard**, Assistant to the President and National Economic Advisor, **Lina Khan**, Chair of the Federal Trade Commission, **Rohit Chopra**, Director of the Consumer Financial Protection Bureau, Connecticut **Governor Ned Lamont**, and legislative leaders from across the country – including Illinois Representative Bob Morgan who attended Monday's meeting– to discuss joint federal and state efforts to address junk fees.

“State legislation to outlaw junk fees, in tandem with federal rulemakings, is crucial to ensure a robust and comprehensive ban on these deceptive charges,” **said Pat Garofalo, Director of State and Local Policy at the American Economic Liberties Project.** “Overlapping jurisdiction and enforcement between the two makes for more effective policy that is more resilient to judicial challenges from big business groups and harder for corporations to skirt around. We’re pleased to see the Biden administration recognize this and coordinate with these local leaders that are leading the charge for change in their local communities to finally end junk fees.”

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[Economic Security Project](#) mobilizes resources and people behind ideas that build economic power for all Americans. As an ideas advocacy organization, we legitimize our issues by supporting cutting edge research and elevating champions, win concrete policy victories for the communities that need to see change now, and provoke the conventional wisdom to shift what’s considered possible. Our team of academics, organizers, practitioners and culture makers disburse grants, run issue campaigns, develop creative interventions and research products to support the field, and coordinate events to encourage investment and action from others.

[The American Economic Liberties Project](#) works to ensure America’s system of commerce is structured to advance, rather than undermine, economic liberty, fair commerce, and a secure, inclusive democracy. Economic Liberties believes true economic liberty means entrepreneurs and businesses large and small succeed on the merits of their ideas and hard work; commerce empowers consumers, workers, farmers, and engineers instead of subjecting them to discrimination and abuse from financiers and monopolists; foreign trade arrangements support domestic security and democracy; and wealth is broadly distributed to support equitable political power.