



<sup>1</sup> pursuant to 16 C.F.R. § 1.9 and 5 U.S.C. § 553(e), hereby petitions the Federal Trade Commission (“FTC” or the “Commission”) to promulgate rules governing drip pricing.

Drip pricing is “the practice of advertising only part of a product’s price upfront and revealing additional charges later as consumers go through the buying process.”<sup>2</sup> It is a category of partitioned pricing, a practice in which “sellers divide an offering’s total price into two or more mandatory components such as a base price and a surcharge.”<sup>3</sup> Specifically, drip pricing “describes a narrower partitioned pricing scenario that adds the element of delay in posting separate, mandatory prices.”<sup>4</sup> By withholding key pricing information from consumers until they have already taken steps toward completing a transaction, sellers engaged in drip pricing cause consumers to expend additional time on their purchasing decision and make it difficult for

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<sup>1</sup> Policy Integrity is a non-partisan think tank dedicated to improving the quality of government decisionmaking through advocacy and scholarship in the fields of administrative law, economics, and public policy. This document does not purport to present the views, if any, of New York University School of Law.

<sup>2</sup> MARY W. SULLIVAN, FED. TRADE COMM’N, ECONOMIC ANALYSIS OF HOTEL RESORT FEES v (2017).

<sup>3</sup> David A. Friedman, *Regulating Drip Pricing*





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*Id.*

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*Id.*

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