



March 13, 2024

Senator Matt Klein  
Chair of the Senate Commerce and Consumer Protection Committee

Re: SF 3537

Dear Chair Klein and members of the Senate Commerce and Consumer Protection Committee:

Thank you for the opportunity to comment on SF 3537 and for your efforts to provide price transparency to Minnesota consumers.

The Expedia Group ("Expedia") family of brands is proud to play a key role in Minnesota's state and local economies by helping travelers to research, plan, and book a wide range of lodging, airline, car rental, and destination experiences across the state. As a leader in the online travel marketplace, we fully support efforts to protect consumers by giving consumers an up-front, complete understanding of the total cost of their bookings. Price transparency is especially important in the travel sector, which is why when consumers search for hotels on Expedia's platform, our sites show them results that include the total price they would pay for the stay, including taxes and fees that may apply, throughout the booking process.

While Expedia Group does not oppose SF 3537 as introduced or the companion legislation as amended, HF 3438, 1<sup>st</sup> Engrossment, we strongly encourage you to defer action on this bill or to exempt lodging and other travel services in light of active Federal rulemaking and legislation in this space. The travel marketplace is inherently interstate, and neither consumers nor travel businesses are served by a confusing patchwork of state rules that establish different requirements and outcomes depending on a traveler's state of origin or destination. As a result, Expedia supports efforts currently underway at the Federal Trade Commission ("FTC") and Congress to establish a consistent and comprehensive standard for advertised prices across the United States.

We respectfully urge you to adopt the following policies, which are not included in the bill as introduced or as amended in the House, to ensure state law is workable and maximally serves Minnesota residents:

- As an intermediary, Expedia does not set prices for the lodging and travel services offered on our platform, nor do we control "resort fees" or other charges that are set by the hotel or other travel provider. We rely on our supply partners like hotels, airlines, and tour operators to provide us with complete and accurate fee information so we can, in turn, display a comprehensive total price to travelers on our platform. SF 3537 should not hold intermediaries liable for circumstances in which we were not provided full and accurate information from suppliers, a concept enshrined in many marketplace tax laws.



- Given the progress being made at the Federal level, we recommend amending SF 3537 to sunset its provisions in the event that either the FTC or Congress establishes a national standard for advertised prices. Although the house companion legislation, HF 3438, was amended to include language stating, “This subdivision is enforceable to the extent permitted by federal law,” this does not address the issue. Federal legislation may not prohibit the state from passing a different legislative standard for price transparency. Minnesota’s travelers—and travelers considering Minnesota as a destination—are best served by a single standard that allows for consistent, clear expectations for advertised prices.
- Given the goal of creating consistency in advertised prices, the definition of “Mandatory Fees” in Subd. 1, Section 15 (iii), line 2.20, of the bill risks creating inconsistent consumer experiences since businesses could interpret a reasonable consumer’s expectations differently. We recommend striking the language, “a reasonable consumer would expect to be included in the purchase of the goods or services being advertised” in Subd. 1, Section 15 (iii).

Finally, consumers search for travel services across a diverse travel ecosystem including direct booking channels (e.g., a hotel or airline’s own website), Online Travel Agencies or “OTAs” like Expedia, and metasearch products like search engines and other aggregators. Thank you for ensuring standards for price inclusivity apply to anyone who advertises a price for lodging and other travel services to ensure the consumer protection applies regardless of the point of sale or search.

Again, we are grateful for your important work to establish transparent, consistent, and equitable marketplace pricing for Minnesota travelers and Minnesota travel businesses alike, and we welcome the opportunity to discuss these issues with you further.

Please do not hesitate to contact me if there is any additional information we can provide.

Thank you,

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