



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
600 PENNSYLVANIA AVENUE, NW  
WASHINGTON, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

May 11, 2001

William C. MacLeod, Esq.  
Collier Shannon Scott, PLLC  
Washington Harbour, Suite 400  
3050 K Street, N.W.  
Washington, DC 20007-5108

Re: priceline.com Incorporated

Dear Mr. MacLeod:

As you know, the Division of Enforcement staff has conducted an investigation of your client, priceline.com Incorporated, for possible violations of Section 5 of the FTC Act. The purpose of this investigation was to determine whether priceline.com violated the FTC Act in connection with its advertising for its Internet discount airline ticket and grocery services.

In particular, the inquiry concerned whether priceline.com failed to disclose adequately material facts about how the airline tickets website works, and about costs and fees associated with the purchase of airline tickets. In addition, the inquiry concerned whether priceline.com represented adequately the savings that consumers could obtain through the grocery discount website. It appears, based on information you have provided, that priceline.com has revised its advertising and website to disclose more clearly to consumers the terms and conditions regarding the purchase of discount airline tickets. Further, priceline.com has discontinued its online grocery services.

We now have closed the investigation. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such action as the public interest may require. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Elaine D. Kolish" followed by a date "5/11/01".

Elaine D. Kolish  
Associate Director  
for Enforcement