

**MD HB 53 E-Commerce Antimonopoly OPPOSE-1.pdf**

Uploaded by: Alain Xiong-Calmes

Position: UNF



January 30, 2024

House Economic Matters Committee  
House Office Building, Room 231  
6 Bladen St., Annapolis, MD 21401

Dear Chair Wilson and members of the Committee,

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to you in regards to HB 53, the "E-Commerce Antimonopoly Study of 2024."

Our organization works to ensure that all Americans benefit from technological leaps. Our corporate partners include companies like Google, Meta, Snap and Amazon, but our partners do not have a vote on or veto over our positions.

We urge you to **oppose** HB 53.

### **Vibrant competition benefits vulnerable populations the most**

We agree that competition is essential to a well-functioning economy. Even as inflation ebbs, consumers face high prices for everyday household necessities, so it is essential that consumers benefit from a wide variety of choices, both online and offline.

HB 53 singles out online commerce for study, ignoring the fierce competition between online marketplaces and brick-and-mortar retailers. Moreover, as drafted, the study ignores the reality that the largest retailer in the country operates offline stores, an online store, and an online marketplace for third party sellers.

As drafted, HB 53 unfairly scrutinizes online marketplaces and the Maryland consumers and small businesses that rely on them. To the extent legislators are concerned about market power concentration in retail, a better approach would

be to craft a study that does not discriminate between online and offline commerce.

Sincerely,

Alain Xiong-Calmes  
Director of State & Local Public Policy

**2024-1-26\_CCIA Comments MD HB 53 (Unfavorable).pdf**

Uploaded by: Khara Boender

Position: UNF



**January 26, 2024**

House Economic Matters Committee  
Attn: Tatiana Hill, Robert Smith (Committee Staff)  
Room 231, House Office Building  
6 Bladen Street  
Annapolis, MD 21401-1912

**RE: MD HB 53, “E-Commerce Antimonopoly Study of 2024” (Unfavorable)**

Dear Chair Wilson and Members of the House Economic Matters Committee:

On behalf of the Computer & Communications Industry Association (CCIA), I write to raise several concerns regarding HB 53 in advance of the House Economic Matters Committee hearing on January 30, 2024.

CCIA is a not-for-profit, international tech trade association that advocates for policy and market conditions that benefit innovation, the tech sector, and consumers.<sup>1</sup> For over 50 years, CCIA has advocated for sound competition policy and antitrust enforcement. Competition is a fundamental driver of innovation, particularly in the technology sector where the industry is characterized by rapid advances that are driven by dynamic competition. As a result of the competitive process, companies that offer better products and services may benefit from increased returns. This cycle incentivizes companies to continue investing in innovation that allows them to develop higher quality goods and services at a lower price — all to the benefit of consumers and the broader economy.

**E-commerce and traditional brick-and-mortar retail compete fiercely.**

CCIA is concerned that the scope of the proposed study under HB 53 is artificially narrow by focusing only on e-commerce when, in fact, e-commerce and traditional brick-and-mortar retail compete fiercely. Consumers have many choices in the retail market, both online and offline. It is also worth noting that the line between popular omni-channel retail sales channels and fulfillment options make the boundary between e-commerce and brick-and-mortar less distinct. For example, if a consumer uses their smartphone to order curbside pickup for same-day fulfillment, they visit the physical store for fulfillment but the order payment is captured online.

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<sup>1</sup> For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. A list of CCIA members is available at <https://www.ccianet.org/members>.



Research shows<sup>2</sup> that there is a close competitive relationship between traditional offline brick-and-mortar retailers and those online engaged in e-commerce. Consumers look at both offline and online retail options when considering where to make purchases, which is reflected in the pricing trends. Online and in-person retail prices directly relate to one another – when prices increase or decrease offline, those prices also increase or decrease online, demonstrating the correlation and vigorous competition across channels. There is scant evidence to support that there is a strong division between consumers and how the retail market operates within the economy. Customers shop across many retailers every day, in every format, and 85 percent of retail purchases still occur in physical stores.<sup>3</sup> Sellers also are moving toward integrated omnichannel operations.<sup>4</sup> Therefore, it would be inadvisable to commission a study that ignores the dynamic interplay between retail channels, leaving behind traditional offline retail and focusing solely on e-commerce.

\* \* \* \* \*

CCIA generally supports legislative studies as a means for policymakers to gain a better understanding of important public policy issues, however, we recommend that the Committee resist advancing legislation that proposes a study in which the scope is not appropriately tailored to account for the robust competition that exists across retail channels. We appreciate your consideration and stand ready to provide additional information and perspective as the Committee considers this bill.

Sincerely,

Khara Boender  
State Policy Director  
Computer & Communications Industry Association

<sup>2</sup> Abrantes-Metz, Rosa, and Mame Maloney. “Competitive Dynamics of Online and Brick-and-Mortar Retail Prices.” *CCIA Research Center*, Aug. 15, 2022, [research.ccianet.org/reports/competitive-dynamics-online-brick-mortar-retail-prices/](https://research.ccianet.org/reports/competitive-dynamics-online-brick-mortar-retail-prices/).

<sup>3</sup> “Monthly Retail Trade - Quarterly Retail E-Commerce Sales Report.” *United States Census Bureau*, Nov. 17, 2023, [www.census.gov/retail/ecommerce.html#:~:text=E%2Dcommerce%20sales%20in%20the,the%20second%20quarter%20of%202023](https://www.census.gov/retail/ecommerce.html#:~:text=E%2Dcommerce%20sales%20in%20the,the%20second%20quarter%20of%202023).

<sup>4</sup> See, e.g., “Baltimore Orioles and Fanatics Team Up for a New 10-Year Omnichannel Retail Partnership,” Aug. 29, 2022, <https://www.mlb.com/press-release/press-release-baltimore-orioles-and-fanatics-team-up-for-new-10-year-omnichannel>; “How COVID-19 Has Changed the Retail Experience Forever,” Oct. 26, 2021, <https://www.rhsmith.umd.edu/research/how-covid-19-has-changed-retail-experience-forever>.

**2024-HB0053-UNFAVORABLE-Ambiguous.pdf**

Uploaded by: Nelda Fink

Position: UNF

**UNFAVORABLE - HB0053**

**Nelda Fink**

**MD District 32**

This bill is too ambiguous. Define the phrase 'has a presence in' the state. Define what is truly meant by e-commerce and what type of business model is being targeted. Without that companies like Paypal should be a part of your study as one cannot conduct e-commerce without some payment processor and Paypal is one of the biggest.

This is just too ambiguous to be passed. It really appears there is a specific group of businesses being targeted and the wording is loosely formulated to cover up what the true intent of this study is. Without that clarity how will the task force be able to accomplish anything?

Nelda Fink



**2024-01-30 HB53 (Letter of Information).pdf**

Uploaded by: Tiffany Clark

Position: INFO

CANDACE McLAREN LANHAM  
Chief Deputy Attorney General



CHRISTIAN E. BARRERA  
Chief Operating Officer

CAROLYN A. QUATTROCKI  
Deputy Attorney General

ZENITA WICKHAM HURLEY  
Chief, Equity, Policy, and Engagement

LEONARD HOWIE  
Deputy Attorney General

**ANTHONY G. BROWN**  
*Attorney General*

PETER V. BERNS  
General Counsel

STATE OF MARYLAND  
**OFFICE OF THE ATTORNEY GENERAL**

FACSIMILE NO.  
(410) 576-7036

WRITER'S DIRECT DIAL NO  
(410) 576-6592

January 30, 2024

TO: The Honorable C.T. Wilson  
Chair, Economic Matters Committee

FROM: Tiffany Johnson Clark  
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: House Bill 53-Task Force to Study E-Commerce Monopolies in the State  
(E-Commerce Antimonopoly Study of 2024) – **Letter of Information**

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The Office of the Attorney General (OAG) submits this *letter of information* to the Economic Matters Committee regarding House Bill 53 - Task Force to Study E-Commerce Monopolies in the State (E-Commerce Antimonopoly Study of 2024).

**House Bill 53** establishes the Task Force to Study E-Commerce Monopolies in the State to investigate the business practices and industry impacts of e-commerce businesses that individually have annual revenue exceeding \$10,000,000,000, have a presence in the State, and that are engaged in selling on their own online platforms first-and third-party products. House Bill 53 also requires the OAG to provide staff for the Task Force.

The Antitrust Division of the OAG is charged with enforcing State and federal antitrust laws where there is a particular impact on the economy and/or citizens of Maryland. Operationally, the House Bill 53 would reduce resources currently available for those enforcement efforts unless there is provision made for additional related human resources. House Bill 53 would require an individual from the Antitrust Division to, at a minimum, attend regular Task Force meetings, legal and policy research and writing, and final report drafting. Currently, the Antitrust Division has

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This bill letter is a statement of the Office of Attorney General's policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the House and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us.

three Assistant Attorneys General who are engaged in complex multistate and local cases and investigations involving some of the national economy's largest players. The Division's current bandwidth to engage in additional non-enforcement tasks is extremely limited.

Additionally, while the Antitrust Division does specialize in antitrust and monopolies, the OAG does not believe that we are the appropriate organization to staff this Task Force. The Antitrust Division of the OAG specializes in legal research, analysis, and investigations, not the type of policy analysis that House Bill 53 would require, such as analyzing e-commerce platforms and gaging business practices in e-commerce.

The Office of the Attorney General requests that you take the above information into consideration when deliberating **House Bill 53**.

cc: Delegate Chao Wu