**CHAMBER
OF PROGRESS**

February 18, 2025

The Honorable C.T. Wilson
Chair, House Committee on Economic Matters
Room 230 House Office Building
6 Bladen St.
Annapolis, MD 21401-1912

Re: Seeking amendments to HB 823 - AI training data

Dear Chair Wilson and members of the committee:

On behalf of the Chamber of Progress, a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advances, **I respectfully write with suggested amendments to improve HB 823.**

AI has tremendous potential for improving education, enabling creative expression, and creating new business opportunities. So, it is critically important that public policy promotes the broad and equitable distribution of these innovations.

HB 823 risks stifling competition with imprecise mandates

Transparency is commendable; it empowers consumers and policymakers alike. At the same time, a healthy, competitive marketplace is essential for promoting quality services for consumers and encouraging platforms to innovate.

Ideally, training data disclosure is akin to a nutritional label on food: useful information to help the public make informed choices. Critically, it is not a step-by-step recipe. Otherwise, any chef would have to make his secret sauce available to competitors every time he created a new recipe. HB 823 can be a step in this direction, but some changes are required.

For example, the mandates requiring detailed disclosures of training datasets, such as the source and characteristics of the data, may lead to a loss of competitive edge for developers. Just as consumers can benefit from knowing the nutritional value of food without needing each proprietary recipe, detailed disclosures can expose proprietary strategies and methodologies, making it easier for competitors to replicate success without investing necessary resources.

Although Section 1, 3.5-807(C)(5) of the bill addresses data that may be protected by trademark, copyright, or patent laws, these protections alone may not be enough. The risk remains that revealing extensive details about training data can enable competitors to reverse-engineer successful AI models, undermining innovation and competitiveness in the marketplace.

HB 823 threatens innovation with certain disclosure requirements

Innovation thrives in an environment where experimentation is encouraged. Although transparency is important in the digital marketplace, the extensive disclosure mandates in this bill may create a deterrent effect. As drafted, HB 823 includes provisions that require disclosure that does not meaningfully inform the public, including whether the training data set includes synthetic data under Section 1, 3.5-807(C)(12).

As such, we request the Committee amend HB 823 to require less detailed training data be disclosed, and, instead, require more generalized data that is less sensitive to trade and propriety data.

We would welcome the opportunity to work with the committee to do so.

Sincerely,

Brianna January

Director of State & Local Government Relations, Northeast US