



February 10, 2026

House Economic Matters Committee
Attn: Joy Jones
230 Taylor House Office Building
Annapolis, Maryland 21401

Re: HB 148 - "Surveillance-Based Price and Wage Setting" (Oppose)

Dear Chair Valderrama, Vice Chair Charkoudian, and Members of the House Economic Matters Committee:

On behalf of the Computer & Communications Industry Association (CCIA), I write to respectfully oppose HB 148. CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.¹ Proposed regulations on the interstate provision of digital services therefore can have a significant impact on CCIA members. As drafted, the bill relies on overly-broad definitions that would inadvertently ban digital pricing practices that are fundamentally welfare-enhancing for Maryland families.

Broad Definitions Harm Beneficial Innovation

HB 148 prohibits “surveillance-based price setting,” yet defines “surveillance data” so broadly – including any data obtained through “observation” or “inference” – that it arguably sweeps in nearly every modern retail inventory and loyalty tool.² Retailers use pricing technology to deliver data-driven discounts that are intuitive to the average customer. By labeling these standard business tools as “surveillance,” the bill conflates beneficial promotions with anticompetitive conduct.

CCIA cautions against conflating predatory “surveillance pricing” with what is, in reality, standard digital pricing. For decades, retailers have relied on customer data to offer promotions.³ Whether it is a paper coupon at a physical checkout or a data-driven discount delivered via a mobile app, the goal remains the same: rewarding loyalty and helping consumers save on the products they need most. By failing to distinguish between these intuitive, industry-normative practices and “ill-defined” concepts of price discrimination, this bill inadvertently targets the tools that make groceries and household essentials more affordable.

¹ 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>.

² Maryland House Bill 148, Section 1, §14-1330(A)(5)(I) <https://mgaleg.maryland.gov/2026RS/bills/hb/hb0148F.pdf>.

³ Catherine Fox, dunnhumby, *Making the case for dynamic pricing in grocery*, (Aug. 6, 2025), <https://www.dunnhumby.com/resources/blog/price-value/en/dynamic-pricing-in-grocery/>.

Personalized Discounts Help Small Businesses and Increase Consumer Welfare

A common misconception is that pricing technology only benefits “big-box” retailers. In reality, these tools are a great equalizer. Many marketplaces and third-party vendors provide sophisticated analytics to small and medium-sized businesses at low cost.⁴ This allows a local boutique or independent grocer to access the same market intelligence as a global corporation, enabling them to respond quickly to market shifts and competitor pricing, offer targeted discounts to maintain their local customer base, and maintain healthy inventory levels to ensure products are available when customers need them.⁵

Retailers operate on thin margins where efficiency is of paramount importance to turn a profit. Variable pricing enables seamless markdowns on seasonal goods and perishable items nearing expiration. For retailers, dynamic pricing can allow them to increase customer satisfaction through lower prices and personalized choices, optimize prices for different products, and better respond to shifting consumer demands.⁶ Without these tools, retailers face increased waste and higher operational costs, which inevitably put upward pressure on base prices for every consumer.

Studies show how lower-income households typically gain the greatest benefits from dynamic pricing.⁷ Pricing technology enables retailers to offer real-time, personalized discounts to consumers, fostering greater innovation and stimulating competition.⁸ When rivals can quickly identify customers, they can offer poaching discounts that force incumbents to lower prices or lose the sale, ultimately benefiting consumers.⁹

HB 148 Would Harm Competition

Overregulation of these tools will not lead to lower prices; it will lead to fewer deals, increased waste, and reduced competition. A more balanced approach that focuses on transparency and fairness, rather than banning the underlying technology, is the best way to protect consumers without stifling the local economy.

The use of dynamic pricing to engage in anticompetitive conduct that excludes competitors or exploits a dominant firm’s market position is already illegal, and addressed under existing state

⁴ CLEARomni, *What is a Multi-Vendor Marketplace? Benefits & How It Works* (Feb. 7, 2025), <https://clearomni.com/blog/what-is-a-multi-vendor-marketplace>.

⁵ Mark Hamstra, *AI tools drive widespread efficiencies for small retailers*, Supermarket News (Nov. 5, 2025), <https://www.supermarketnews.com/independents-regional-grocers/ai-tools-drive-widespread-efficiencies-for-small-retailers>.

⁶ Accenture, *Widening Gap Between Consumer Expectations and Reality in Personalization Signals Warning for Brands*, Accenture Interactive Research Finds (May 3, 2018), <https://newsroom.accenture.com/news/2018/widening-gap-between-consumer-expectations-and-reality-in-personalization-signals-warning-for-brands-accenture-interactive-research-finds> (“91 percent of consumers are more likely to shop with brands that recognize, remember, and provide them with relevant offers and recommendations.”).

⁷ Juan Camilo Castillo, *Who Benefits from Surge Pricing?*, University of Pennsylvania Department of Economics (Nov. 8, 2024), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3245533; see also Jose Betancourt et. al., *Dynamic Price Competition: Theory and Evidence from Airline Markets*, National Bureau of Economic Research (Aug. 2022), <https://www.nber.org/papers/w30347>.

⁸ Puzl, *The Future of Grocery Pricing: Dynamic Pricing Strategies with AI*, (Jun. 30, 2025), <https://www.puzl.ai/post/the-future-of-grocery-pricing-dynamic-pricing-strategies-with-ai#viewer-5h10d155>.

⁹ Trevor Wagener, *Personalized Discounts, Public Gains: The Welfare Case for Algorithmic Pricing*, CCIA (Jul. 8, 2025) <https://ccianet.org/articles/personalized-discounts-public-gains-the-welfare-case-for-algorithmic-pricing/>.



and federal laws.¹⁰ Duplicative legislation is unnecessary and can create legal uncertainty for businesses, reducing their willingness to innovate and compete and ultimately leaving consumers worse off.

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For these reasons, CCIA respectfully urges the Committee to oppose HB 148 and work with the business community to ensure that digital pricing continues to serve as a tool for consumer savings and market health. We appreciate your consideration of these comments and stand ready to provide additional information as Maryland lawmakers consider this legislation.

Sincerely,

Megan Stokes
State Policy Director
Computer & Communications Industry Association

¹⁰ See, e.g., *Sherman Antitrust Act* § 2, 15 U.S.C. § 2; *Clayton Act* § 2; *Federal Trade Commission Act* § 5, 15 U.S.C. § 45; *Md. Code Ann., Com. Law* §§ 13-301(1), 13-303.