



Connected Commerce Council (3C)
1701 Rhode Island Avenue NW
Washington, DC 20036

March 19, 2026

TO: Members, Assembly Privacy and Consumer Protection Committee

**SUBJECT: AB 2564 (WARD) SURVEILLANCE PRICING
OPPOSE**

On behalf of the Connected Commerce Council (3C) — a nonprofit organization dedicated to ensuring small businesses have the digital tools they need to thrive in today's economy — I write to express serious concern about AB 2564 (Ward), a bill that could restrict the use of common pricing and marketing tools that small businesses use to offer discounts, run promotions, and offer competitive prices to their customers.

For small businesses, customer relationships are everything. Small business owners rely on basic data to offer promotions that help them better serve their customers — whether it's a discount for patrons who've purchased products before, a special offer on items abandoned in a customer's online shopping cart, or a coupon to people who are likely to buy their products.

For example, a small business owner may sell an infant-care system that helps new parents track feedings and coordinate sleep schedules. Six months after a purchase, the owner might follow up with a discount on a toddler-care tracker — offering customers savings on a product they are likely to need next while also building loyalty and generating additional sales. Similarly, if a customer adds an infant-care tracker to their online cart but leaves the website before completing the purchase, the business owner might offer a small discount to encourage them to return and complete the purchase. Algorithmic pricing enables automated systems to adjust prices and offer discounts based on customer behavior. If AB 2564 were to pass, however, these commonplace marketing practices would be prohibited, creating challenges for both the business and its patrons.

3C strongly supports consumer privacy protections and fair pricing practices — but AB 2564 risks harming routine, beneficial business practices that help small businesses compete. Though well-intentioned, the bill's burdensome compliance requirements make it much harder for small businesses to offer discounts, connect with customers, and offer fair, competitive pricing.

We urge you to reject AB 2564 in its current form. California small businesses deserve legislation that protects consumers without creating new barriers to using the everyday digital tools that help them grow, compete, and keep prices affordable for their customers.

Sincerely,

Rob Retzlaff
Executive Director
Connected Commerce Council