



March 31, 2025

The Honorable Ash Kalra
 Chair, Assembly Judiciary Committee
 1020 N Street, Room 104
 Sacramento, CA 95814

Re: SUPPORT Assembly Bill 325 (Aguiar Curry): Preventing Algorithmic Price Fixing

Dear Assembly Member Kalra,

We, the undersigned organizations, representing consumers, workers, small businesses, and communities throughout California, write to express our strong support for **AB 325, Preventing Algorithmic Price Fixing** (Aguiar-Curry). This critical legislation updates California's antitrust laws to combat the growing use of digital pricing algorithms for illegal price fixing, ensuring that modern technology does not become a tool for anti-competitive behavior that harms consumers and small businesses.

Price fixing—when two or more competing businesses agree to set prices, output, or other commercial terms—results in increased prices and reduced choice for consumers. Price fixing is anticompetitive, and has long been thought of as the “supreme evil” of fair competition laws.

Currently, price fixing is already illegal, under California and federal antitrust laws. However, it remains difficult to detect, especially as technological advancements enable collusion without direct communication. Algorithmic pricing tools now allow businesses to coordinate prices covertly, using third-party software to drive up prices and reduce competition. Despite the clear illegality of these practices, enforcing against this activity is harder than ever due to current law requiring an extremely

high bar to bring a case. . This has led to the proliferation of price-fixing algorithms, further undermining fair competition and consumer protections.

AB 325 strengthens California's ability to tackle algorithmic price fixing by:

- **Prohibiting secret agreements:** Ensuring that companies cannot use third-party algorithms to coordinate prices in secrecy.
- **Closing loopholes:** Codifying that price fixing through algorithmic tools is just as illegal as traditional price fixing between competitors, incorporating best legal practices from ongoing enforcement efforts.
- **Strengthening enforcement:** Removing the impractical requirement for “smoking gun” evidence at the outset of a case, allowing legitimate claims to proceed based on plausible evidence.
- **Holding bad actors accountable:** Ensuring that both companies using price-fixing algorithms and the third-party providers of these tools are held liable.
- **Deterring illegal price fixing before it begins:** Creating bright-line standards to prevent the use of pricing algorithms to unlawfully coordinate prices, protecting consumers from unfair price hikes, and enabling small businesses to price their goods and services competitively.

This bill also provides clear guidelines on liability. Under AB 325:

- Developers of pricing algorithms will be held accountable if they create and distribute tools designed to use competitor data—whether public or nonpublic—to generate price recommendations.
- Companies utilizing these algorithms will be liable if they knew or reasonably should have known that the tool was being used by at least one competitor and was developed for the purpose of setting coordinated prices.

These provisions reflect well-established legal findings that price-fixing agreements can be inferred from the use of these algorithmic tools, making enforcement more effective.

By passing AB 325, California will ensure that our antitrust laws keep pace with technological advancements and modern business practices. This legislation is crucial to preventing digital collusion, protecting consumers from artificially inflated prices, and safeguarding fair competition for small businesses. California must act decisively to prevent a regulatory gap that allows illegal price-fixing schemes to flourish.

We urge your strong support for AB 325 and look forward to working with you to advance this critical legislation. Thank you for your leadership and commitment to a fair and competitive economy for all Californians.

Sincerely,

Teri Olle, Director, Economic Security California Action

Megan Abell, Senior Director of Advocacy, TechEquity Action

Lee Hepner, Senior Legal Counsel, American Economic Liberties Project

Kyra Greene, Executive Director, Center on Policy Initiatives

Irene Kao, Executive Director, Courage California

Michael Swerdlow, Antimonopoly Director, Democracy Policy Network

Devon Gray, President, End Poverty in California (EPIC)

Kristin Heidelberg, Legislative Director, UFCW Western States Council

JP Hanna, Legislative Advocate, California Nurses Association

Debra Ballinger, Interim Executive Director, United Latino Voices of Contra Costa County

Tina Rosales-Torres, Policy Advocate, Western Center on Law and Poverty

Glenn Backes, Policy Consultant, Ella Baker Center for Human Rights

Matthew Hulse, Executive Director, Contra Costa Senior Legal Services

Robert Herrell, Executive Director, Consumer Federation of California

Kimberly Rosenberger, Senior Government Relations Advocate, SEIU California

Jessica Stender, Policy Director & Deputy Legal Director, Equal Rights Advocates

Nichole Rocha, Policy Advisor, Tech Oversight California

Kristina Bas Hamilton, Director of State Government Affairs, UDW/AFSCME Local 3930

Ted Mermin, Executive Director, California Low-Income Consumer Coalition

Trinity Tran, Co-Founder and Lead Organizer, California Public Banking Alliance

Katy Milani, Associate Director, Policy and Advocacy, Institute for Local Self-Reliance

Caroline Peattie, Executive Director, Fair Housing Advocates of Northern California

Tracy Rosenberg, Advocacy Director, Oakland Privacy

Michael Best, Staff Attorney, National Consumer Law Center

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Heidi Pickman, VP, Engagement and External Relations, CAMEO Network

Lauren Jacobs, Executive Director, PowerSwitch Action

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