

UNITED STATES OF AMERICA Federal Trade Commission WASHINGTON, D.C. 20580

Statement Regarding Request for Public Comment Re: Surveillance Pricing Practices January 31, 2025

The following Request for Public Comment Regarding Surveillance Pricing Practices was issued by the Commission on January 17, 2025 with a public docket for comments opened at https://www.regulations.gov/docket/FTC-2025-0007. However, the document was subsequently withdrawn by Chair Ferguson on January 22, 2025, and the docket was rendered closed for further comments.

To ensure these important lines of inquiry remain available to the public, I am making available the document in its original form as an attachment below.

Request for Public Comments Regarding Surveillance Pricing Practices

The Federal Trade Commission is inviting public comments to better understand the opaque products and services that collect and use personal data, including credit and browser history, to allow firms to set individualized or different prices for the same goods or services, an ecosystem of products and services that has been described as "surveillance pricing." Some reports indicate a growing number of stores and retailers may be using algorithms to establish targeted differentiated prices. Advancements in machine learning make it cheaper for systems to collect and process large volumes of personal data, which can open the door for price changes based on information like an individual consumer's precise location, shopping habits, or web browsing history. Concerns have been raised about the potential impact these practices may have on privacy, competition, and consumer protection—including that firms may be able to harvest and exploit consumers' personal data to charge people higher prices. FTC staff encourages members of the public to comment on any issues or concerns they believe are relevant or appropriate to the FTC's consideration and to submit written data, views, facts, and arguments addressing the topic. Comments in response to this request for public comments must be received no later than **Thursday**, **April 17, 2025 by 11:59pm ET**.

The Commission previously initiated a related 6(b) study on surveillance pricing products and services in July 2024. As noted in a prior press release, those 6(b) orders are "aimed at helping the agency better understand the opaque market for products by third-party intermediaries that claim to use advanced algorithms, artificial intelligence and other technologies, along with personal information about consumers—such as their location, demographics, credit history, and browsing or shopping history—to categorize individuals and set a targeted price for a product or service."

The FTC now invites public comments on the following questions:

- 1. Have you experienced surveillance pricing products or services? If yes, where do you think that surveillance pricing is happening? For example, have you ever noticed that you are being charged more or less for a product than a friend or family member from the same seller at the same time? Have you seen a product be "discounted" or "on sale" one week, but cost the same price another week without the discount or sale? Have you seen different prices between placing a product in cart and checking out?
- 2. If you have experienced and/or if you think that surveillance pricing may be happening, how does this impact how you shop? For example, has your desire or ability to shop been impacted by or have your shopping habits changed? How so? Have you developed any strategies when shopping online to approach or anticipate surveillance pricing? If yes, what strategies?
- 3. As a gig worker or employee, have you experienced and/or do you think the use of surveillance pricing to set compensation may be happening? For example, where have you experienced or heard that wages change for individual employee or workers? On which platforms, tools or services have you seen one worker's wages or opportunities differ from another worker? How do you know?
- 4. Describe any benefits or challenges that you may have and/or think may be happening around using or implementing surveillance pricing, especially as a business. Are you using surveillance pricing? If so, how? If not, why not? Does any possible benefit change if a business's competitors also engage in surveillance pricing? Are there challenges around what data you can use, source, and collect? What are the challenges around what data needs to be shared with partners? How do you address these challenges?

- 5. **Do you have concerns or perceive any benefits about the use of surveillance pricing by other businesses?** For example, are there impacts around surveillance pricing from suppliers or other third-parties? Have you experienced or do you have concerns that the use of surveillance pricing products or services may allow dominant or other companies to charge prices higher than they would be able to without these technologies? Have you experienced or perceive that surveillance pricing products or services lead to competitors gaining an unfair advantage? (e.g. predatory or below cost prices, etc.)?
- 6. Have you seen that online surveillance leads to consumers (individuals or groups) paying different or individualized prices? For example, does research, technical documentation, or anecdotal evidence from your work or experience show that consumer data targeting practices (e.g., in the existing context of advertising technology, search ranking, data broker practices, or otherwise) can contribute to surveillance pricing? What data has been (or could be) collected that describes the price impacts of surveillance pricing?
- 7. What are the data types, sources of data, and data processing tools that are being used in, or as a part of, pricing algorithms? How do you know these are used or why do you believe they are being used? For example, what kinds of data have you seen collected by (for instance) e-commerce stores or other websites and in what ways is that data collected? What kinds of data inputs, sources, or tools have proven the most valuable for training, optimizing, or implementing pricing algorithms? Why? How do you know? How do you ensure pricing algorithms use the right data to make decisions?
- 8. **Is dynamic pricing being used to promote price discrimination?** For example, is there data or anecdotal evidence showing that firms that claim they engage in dynamic pricing are also or instead engaging in price discrimination?

Guidance for submitting comments:

- The FTC encourages members of the public to comment on any issues or concerns they believe are relevant or appropriate for our consideration and to submit written data, views, facts, and opinions addressing this subject, including but not limited to the issues posed above. You do not need to answer all questions listed— only the question(s) that you are interested in.
- Do NOT submit sensitive or confidential information. Comments, including anonymous comments, are published on the regulations gov website and made available to the public.
- If you submit information for the public record as an "anonymous" entity through regulations.gov, please be aware your submission may be published on regulations.gov.
 - o (1) Do not provide your email address in the regulations.gov form submission.
 - o (2) Do not provide any personally identifying information in your comment or any attached material.
 - o (3) Everything you submit can be made public, and you may be held liable or accountable for anything you share.

Instructions for submitting:

- 1. Go to the docket on regulations.gov
- 2. Click "Browse Documents."
- 3. Underneath the document containing the RFI questions, click comment (the blue button)
- 4. Fill out the form which requires:
 - 4.1. The comment text itself
 - 4.2. The comment category
- 5. You can submit as: an individual, an organization, or anonymous
 - 5.1. Optional: Attachments to aid your response. You can attach up to 20 files, but each file cannot exceed 10MB. Valid file types include: bmp, docx, gif, jpg, jpeg, pdf, png, pptx, rtf, sgml, tif, tiff, txt, wpd, xlsx, xml.
- 6. Comments must be received no later than Thursday, April 17, 2025 by 11:59pm ET.