

February 4, 2026

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

Re: HB 314 - "Automation Technology Deployment Assessment and Displaced Employee Retraining Fund" (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 314 in advance of the House Economic Matters Committee hearing on February 4, 2026. 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.

The Association is committed to policies that encourage competitive markets and enable businesses of all sizes to adopt advanced technologies responsibly while supporting workers through transitions. Balanced regulatory approaches must support both workforce development and those whose jobs might be disrupted by the growth of new technologies.² While we appreciate the underlying policy goal and recognize the Committee's interest in supporting workers and strengthening Maryland's economy, HB 314, as drafted, would move the state in the wrong direction. Overall, the bill poses significant economic and competitive risks for Maryland employers, employees, and the broader investment climate. CCIA's specific concerns are detailed below.

HB 314 unjustifiably vilifies technology adoption through a vague standard.

HB 314 requires employers to determine whether a workforce reduction was caused by automation and categorizes workforce reductions linked to "automation technology" as uniquely suspect, as though they are categorically different from or worse than reductions in force caused by other business factors. In reality, such distinctions are rarely clear, as business decisions are often multi-factor and rarely attributable to a single cause. Attempting to prove that a reduction in force occurred *because of* automation rather than market conditions or restructuring invites confusion, litigation, and subjective enforcement while providing little meaningful benefit to displaced workers. Singling out automation reflects a misunderstanding of how innovation functions in a dynamic economy and risks sending a message that Maryland is hostile to modernization.

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 CCIA Response to National Strategic Plan for Advanced Manufacturing RFI, CCIA (Jan. 30, 2026), <https://ccianet.org/library/ccia-response-to-national-strategic-plan-for-advanced-manufacturing-rfi/>.

HB 314 would disincentivize both innovation and investment.

HB 314 would impose an annual “automation assessment” on employers with 100 or more Maryland employees that deploy automation technologies resulting in workforce reductions. Employers would be required to submit detailed reporting and pay assessments based solely on the number of displaced workers attributed to automation technologies. Workforce changes can occur for many reasons, including shifts in consumer demand or economic conditions, supply-chain disruptions, and innovative new technologies.

The enormous increases in productivity, real wages, and GDP per capita from the pre-industrial era to today are primarily attributable to the development of new automation-enhancing technologies and their deployment across the economy. Singling out automation-enhancing technology risks treating innovation as something to be punished, rather than encouraged. Technological change resulting in increased automation has reshaped society through the creation of new roles, higher productivity gains, and rising living standards across the economy.³ The precedent of more bank tellers being hired decades after ATMs were introduced and more radiologists getting hired after AI tools became widespread in radiology practices shows that automation is often a driver of productivity-enhancing transformation and task switching rather than worker replacement.⁴

This bill effectively penalizes employers for adopting productivity-enhancing technologies, including artificial intelligence, robotics, machine learning, and other digital tools. As the global economy moves towards increased digitalization, these technologies are essential for maintaining competitiveness in global markets. Rather than incentivizing innovative employee training or retention strategies, an additional financial burden tied directly to increased technology adoption will likely cause firms to delay or scale down local investments in automation, thereby limiting new job creation and economic growth in Maryland.

The bill is duplicative of existing law, and would likely distort Maryland’s labor markets.

Maryland employers are already subject to extensive workforce notification and reporting requirements under the federal Worker Adjustment and Retraining Notification (WARN) Act and related state provisions. The WARN Act takes a technology-neutral approach that provides workers with notice and time to prepare. Maryland also already has a comprehensive framework to address major workforce disruptions through the recently enacted Maryland Economic Stabilization Act. These frameworks are specifically designed to address large-scale layoffs and plant closures, providing advance notice and transition time for affected employees. HB 314 would create a duplicative and conflicting system that is inconsistent with existing law while layering on additional reporting, penalties, and assessments, increasing compliance costs without improving worker protections.

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³ Trevor Wagener, *AI Is an Economic Engine Propelling Productivity and Wages Up, and Prices Down*, CCIA (Oct. 5, 2025), <https://ccianet.org/articles/ai-is-an-economic-engine-propelling-productivity-and-wages-up-and-prices-down/>.

⁴ Trevor Wagener, *What Bank Tellers and Radiologists Can Tell Us about Our Job Security in the AI Era*, CCIA (Feb. 3, 2026), <https://ccianet.org/articles/what-bank-tellers-and-radiologists-can-tell-us-about-our-job-security-in-the-ai-era/>

CCIA supports efforts to ensure displaced workers receive effective retraining and placement services, including voluntary, incentive-based policies, public-private workforce partnerships, and targeted investments in education and training programs. These solutions are more likely to achieve meaningful results without imposing punitive assessments tied to the adoption of innovative, automation-enhancing technology.

For these reasons, CCIA respectfully urges the House Economic Matters Committee to oppose HB 314 and instead pursue collaborative, growth-oriented strategies that help Maryland's workforce adapt to technological change without stifling innovation.

Sincerely,

Megan Stokes
State Policy Director
Computer & Communications Industry Association