



1919 S. Eads St.
Arlington, VA 22202
703-907-7600
CTA.tech

September 18, 2025

The Honorable Gavin Newsom
Governor of California
State Capitol
1303 10th Street, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom,

On behalf of the Consumer Technology Association (CTA), we are writing to urge you to veto AB 853, SB 7, and SB 53. Despite some amendments made since CTA's August 12, 2025, letter to you, outlining our concerns, we continue to believe these bills would put California, and our nation's artificial intelligence (AI) leadership in jeopardy.

California companies have been at the forefront of AI development, and the state's tech economy has been at the center of our country's global AI leadership. As Governor of California, you have the opportunity to demonstrate significant vision for the future of AI. CTA strongly believes that AI is one of the world's greatest opportunities for economic growth and social good. We also strongly believe that AI needs to be developed safely, fairly, and accountably. Unfortunately, the AI bills on your desk right now do not achieve these goals.

As North America's largest technology trade association, CTA represents more than 1200 American companies – many headquartered in California – that collectively support over 18 million U.S. jobs. Our members include the world's most dynamic innovators, from pioneering startups to global enterprises, and we are the organizers of CES®, the world's most powerful technology event.

CTA also produces a U.S. Innovation Scorecard, highlighting which states best champion smart policies for tech startups across 11 distinct categories. Enactment into law of any one of the AI bills highlighted in this letter will likely lower California's ranking as a state friendly to innovation as we include new technologies like AI in future scorecards. Given that California is home to so many industry leaders and startups in the AI sector, enactment of these policies would also have negative national consequences.

Consumer Technology Association*
Producer of CES®

Outlined here are CTA's concerns with the AI legislation on your desk, reiterated from our August 12 letter:

AB 853

AB 853 is well intentioned, but premature and structurally flawed. CTA supports meaningful transparency and accountability in AI-generated content. In fact, CTA is proud to have published ANSI/CTA-2125, a standard which can address content provenance and assurance by providing a foundation for detecting and labeling AI generated media in a consistent way. But like all standards, it requires time, industry convergence, and implementation capacity.

Amendments to AB 853 attempted to reflect that the standards ecosystem is not yet mature enough on this subject to facilitate compliance. We continue to believe that the bill is premature and that any legislation on this subject should wait for a mature standards and compliance ecosystem instead of estimating that one will be ready by a specific date.

Even more critically, AB 853 places liability on platforms, imaging firms, and hosting services—entities that did not generate the content and lack the capability to adequately track and identify content provenance. This is structurally flawed. You cannot require compliance from actors who lack the technical access or control to fulfill the obligation. Enacting a bill like AB 853 at this time would saddle companies with compliance burdens ranging from extremely costly to technologically infeasible.

SB 7

SB 7 would saddle California businesses, including small businesses, in all sectors of the economy with unsustainable new costs. Amendments made to SB 7 do not change CTA's position that the economic impact of this bill would be highly damaging to businesses across the state.

By requiring significant additional staff time to address appeals of decisions made by automated systems, SB 7 would put a de-facto tax on every company that decides to use certain AI software to help their business run more efficiently. Because of the broad definitions used in the bill, these additional costs could end up impacting small businesses that elect to use AI software for tasks as simple as managing employee schedules. That is not the kind of environment that will lead to economic and jobs growth in California.

SB 53

CTA recognizes that the bill sponsor worked with AI developers and made significant amendments to SB 53. Despite these amendments, we still believe that SB 53 is not the right approach for a state to take with regard to AI regulation. We strongly supported your decision to veto model-level AI regulation last session (SB 1047). At the time you said,

“Given the stakes—protecting against actual threats without unnecessarily thwarting the promise of this technology to advance the public good—we must get this right.” We could not agree more, and still believe that this sentiment applies to SB 53.

Fundamentally CTA believes that regulation of this breadth, of a technology with so much national strategic importance, should be a federal issue. A state patchwork of model-level regulation does not benefit consumers. It only serves to stifle the advancement, and availability, of AI models that are being deployed in countless beneficial ways – both for the public and economic good.

CTA applauds your opposition to over-reaching AI regulation and your commitment to championing California's economic future. We look forward to working with you to find a path forward that will encourage safe AI development and unleash the many benefits of this technology.

Sincerely,



Gary Shapiro
CEO and Vice Chair
Consumer Technology Association



Kinsey Fabrizio
President
Consumer Technology Association