

July 31, 2024

The Honorable Maria Cantwell  
511 Hart Senate Office Building  
Washington, DC 20510

The Honorable Ted Cruz  
167 Russell Senate Office Building  
Washington, DC 20510

Dear Chair Cantwell, Ranking Member Cruz, and Members of the Committee,

On behalf of the Consumer Technology Association (CTA)<sup>®</sup> and the \$500+ billion U.S. consumer technology industry, we appreciate the opportunity to provide this statement for the record. As the Committee prepares to mark up several critical pieces of legislation, we recognize the immense importance of your work in promoting artificial intelligence (AI) research, innovation, and accountability in the United States.

CTA represents thousands of companies of all sizes in the consumer technology industry, more than 80% of which are small businesses and startups. These innovative companies are driving the development and deployment of AI systems across virtually every sector of the U.S. economy. As the industry's voice, CTA has a strong interest in ensuring federal AI policies strike the right balance—promoting ongoing U.S. leadership in this transformative technology while managing risks to protect consumers and businesses.

We applaud the Committee for taking a comprehensive approach to AI policy through bills like the CREATE AI Act ([S. 2714](#)), the AI Accountability, Research & Innovation Act ([S. 3312](#)), and other measures to support the future of AI innovation in the U.S. This multi-pronged strategy is vital to upholding America's global standing while fostering public trust as AI systems are increasingly interwoven into our daily lives. Time is of the essence in getting such legislation enacted.

#### Investments in AI Research & Development Are Critical

Given our diverse membership across the AI ecosystem, CTA strongly supports the CREATE AI Act's establishment of a National Artificial Intelligence Research Resource, including computing capabilities, datasets, testbeds, and spatial and computing resources. These resources will be invaluable for entrepreneurs, students, researchers, and others aiming to advance AI capabilities grounded in safety, ethics, and trust.

We also support the CREATE AI Act's provisions to establish a National AI Research Institute and Regional AI Institutes to facilitate public-private AI R&D collaboration. These institutes can serve as vital hubs for multidisciplinary research into AI's scientific frontiers while pioneering new approaches to AI education and workforce training aligned with industry needs.

Access to research resources is significant, but U.S. leadership on AI also depends on enacting preemptive legislation now at the national level concerning rules and guardrails for AI.

#### Congressional Action on AI Governance Is Imperative

The Artificial Intelligence Research, Innovation, and Accountability Act takes a commonsense, risk-based approach grounded in the widely embraced NIST AI Risk Management Framework. The bill correctly focuses heightened requirements only on AI systems engaged in high-risk use cases while allowing flexibility for lower-risk applications to continue innovating responsibly. This targeted approach is consistent with principles in CTA's National AI Policy and Regulatory Framework <sup>1</sup>, which calls for AI oversight obligations to be proportional to the level of risk an AI system poses to areas like human health and safety, civil rights, privacy, and cybersecurity. Lower-risk AI applications should retain the flexibility to continue innovating responsibly under a light-touch baseline of voluntary risk management best practices.

The bill's grounding in the widely embraced NIST AI Risk Management Framework is also significant, as it provides an existing governance template that has already undergone extensive cross-sector vetting. CTA has advocated aligning national AI rules with NIST's framework to maximize harmonization and regulatory certainty for AI developers and deployers.

Given AI's wide-ranging applications and vastly differing potential risk profiles, we appreciate the bill's recognition that one-size-fits-all mandates are inappropriate. The legislation wisely accounts for varied obligations based on an entity's role as a developer, deployer, or implementation end-user in the AI ecosystem.

That said, CTA encourages the Committee to further clarify and refine the definitions and delineated responsibilities for each role during the markup process. Clear, consistently applied classifications will be critical for effective oversight and compliance, especially as companies increasingly embody multiple roles simultaneously in the AI ecosystem.

CTA also recommends that the Committee explore incorporating compliance incentives, such as safe harbors, for companies that adhere to recognized voluntary AI governance standards and frameworks. We believe these types of self-regulation incentives could promote more proactive AI risk management across the industry.

Policymakers should avoid regulating AI's underlying models, algorithms, or technical inputs, and instead concentrate on applications, intended use cases, and real-world outcomes. Rules should be principles-based, allowing for different technical approaches to achieve the same goal of developing trustworthy AI systems that are safe, secure, accurate, and free from harmful bias.

As policymakers evaluate additional guardrails, they should leverage existing laws and regulations that already prohibit undesirable outcomes like unlawful discrimination, deceptive practices, data privacy violations, and more, regardless of whether the harm stems from human or machine actions. New AI-specific rules should build upon these existing governance structures, not recreate them.

### Federal Preemption and Regulatory Harmonization Are Vital

To maximize AI's economic potential while preventing an unnavigable patchwork of conflicting and disparate policies, CTA strongly supports federal preemption of state and local AI laws as the primary method of AI governance. A single national framework is imperative to provide the regulatory clarity and certainty companies need to invest in and responsibly develop AI technology confidently. A national, preemptive approach is also crucial for small businesses and startups which otherwise will face hugely burdensome and costly state-by-state compliance obligations. CTA urges the Committee to embrace and include preemption in any final AI package.

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<sup>1</sup> [National AI Policy and Regulatory Framework](#). October 2023.

As states are just starting to enact comprehensive regulatory policy concerning the development and use of AI, the Congress urgently needs to act.

Conclusion

CTA is committed to working alongside this Committee and Congress to advance national rules for AI that drive U.S. technological supremacy, economic competitiveness, and responsible stewardship of AI's powerful capabilities.

Thank you again for the opportunity to provide these comments. We look forward to continuing to engage with you on these vital issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Shapiro". The signature is fluid and cursive, with the first name "Gary" and last name "Shapiro" clearly distinguishable.

Gary Shapiro  
CEO  
Consumer Technology Association