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February 25, 2025

The Honorable James Maroney Deputy Majority Leader Connecticut State Senate Legislative Office Building, Room 3500 Hartford, CT 06106

Dear Senator Maroney,

The Consumer Technology Association (CTA) writes to provide input on the recently introduced version of Connecticut Senate Bill 2 (SB 2).

CTA is North America's largest technology trade association, representing over 1200 American companies. We also own and produce CES®, which convened tech leaders and over 4500 exhibiting companies in Las Vegas in January. Our members are the world's leading innovators – from startups to global brands – helping support more than 18 million American jobs. CTA members are at the forefront in driving future innovations, including in artificial intelligence (AI) – one of the most transformational technologies of our time.

CTA shares your goal of ensuring AI systems are safe and trustworthy. AI technologies are already providing significant benefits to consumers - from applications for healthcare and education to environmental conservation and transportation. AI is an issue of national competitiveness, with the potential to deliver significant economic and strategic benefits for our country, while improving quality of life for millions of people. To deliver on these promises, businesses need a regulatory environment that encourages innovation. This is particularly true for smaller companies, who when faced with higher compliance costs, are less likely to be able to comply, innovate or compete. Similarly, CTA recognizes that consumers need to have confidence that AI systems are safe and trustworthy.

CTA supports a uniform national, risk-based, technology-neutral approach to AI rules and regulations. Absent federal action, it is critically important that any state approach to AI regulation prioritize consistency and recognize the national strategic importance of this critical technology.

To that end, CTA offers the following top-line suggestions to SB 2:

**Definitions:** CTA supports clarity and specificity in key definitions in order to ensure that the bill is appropriately targeted in its application. CTA urges changes to the definition of "Consequential Decision" to avoid terminology that could lead to excessively broad

interpretation. Removing "terms and conditions of" from the definition would be one step to help improve this definition. CTA also seeks a more specific definition of "substantial factor. Including "principal basis for making a consequential decision" in the definition of substantial factor would improve the clarity.

**Enforcement:** CTA agrees with the Attorney General being given exclusive enforcement authority in SB 2. We also appreciate the inclusion of a rebuttable presumption and a right to cure, though a longer time period for the right to cure is needed to reflect the realistic timeline that companies would need to rectify an issue. These enforcement mechanisms give the AG the tools needed to go after bad actors, ensuring that companies can focus on innovation rather than fighting lawsuits. CTA also urges you to include language that specifically clarifies that nothing in this legislation creates a private right of action.

**Disclosure:** CTA appreciates the recognition that trade secrets and confidential information should not be disclosed when meeting the obligations proposed in SB 2. But we do broadly have concerns about the potentially anti-competitive outcomes of some of the bill's public disclosure requirements.

**Impact assessments:** CTA is concerned that the annual cadence of impact assessments would place an excessive compliance burden on companies, particularly startups with limited resources. We would instead urge you to tie impact assessments to the substantial modification of an AI system.

**Integrators:** CTA strongly believes in creating a simple, straightforward, and fair compliance environment. We have heard concerns about the added complexity of creating a new "integrator" category and encourage you to work with stakeholders to find an alternative path forward.

**General purpose AI and open-source:** CTA recognizes the unique position of general purpose (GPAI) and open-source developers in the AI value chain. These models underpin many of the downstream AI innovations that are being brought to market, and the continued availability of these models is critical to a thriving AI ecosystem. We oppose the new GPAI requirements in SB 2, which as written would significantly expand the scope of the bill beyond the intended high-risk applications. We ask that you thoroughly consider the impact of SB 2 on the availably of GPAI models and ensure that any language in the bill does not inadvertently regulate AI outside of the context of high-risk applications.

**Synthetic content:** CTA has concerns about the scope of the requirements for marking synthetic content. As written, the standard for marking synthetic content, and the overly broad definition of synthetic content, could make compliance with this section infeasible. We also ask that SB 2 maintain an exclusive focus on high-risk AI systems, and that you engage with industry in further discussions about how to most appropriately address synthetic content issues.

**Consumer actions:** CTA shares your goal of ensuring that consumers are confident in the safety of AI systems, but we have concerns that some of the consumer actions proposed in SB 2 – such as the right to correct, examine, and appeal - are overly broad and do not align with existing Connecticut law.

**Encouraging innovation:** CTA applauds the inclusion of a regulatory sandbox program aimed at encouraging innovation and experimentation in AI. We encourage you to continue conversations with innovators to ensure that all sections of the bill promote future innovations and do not create undue regulatory burdens.

**Alignment with federal actions:** Wherever possible, CTA strongly supports alignment with pro-innovation federal actions on AI. This includes, but is not limited to, NIST standards and best practices.

CTA appreciates your consideration of these recommendations. We look forward to working with you to ensure that state AI legislation supports consumer confidence in technology without inadvertently hampering critical innovations.

Sincerely,

David Grossman

J. David Grossman Vice President, Policy & Regulatory Affairs Consumer Technology Association