



June 25, 2024

The Honorable Thomas Umberg
Chair
Senate Committee on Judiciary
1021 O Street, Room 3240
Sacramento, CA 95814

Dear Chair Umberg and members of the committee,

My name is Todd O'Boyle and I serve as Senior Director of Technology Policy at Chamber of Progress, a tech industry association committed to building a more inclusive country in which all people benefit from technological advances. Our partners include Google and Midjourney, but our partners do not have a vote or a veto on our positions. While we appreciate the amendments already adopted but we **respectfully urge you to oppose AB 2013**.

AB 2013 stifles competition by requiring online platforms to disclose AI data on their websites

Requiring developers to disclose data used to train their artificial intelligence (AI) systems and services on their website stifles competition in the digital marketplace. A healthy, competitive marketplace is essential to promote quality services for consumers and drive innovation. The disclosure requirement risks revealing important business information and strategies, even when developers specifically note that the datasets are protected intellectual property. Additionally, the language "*but not be limited to*" in such requirements makes the expectations placed on developers unclear.

AB 2013 stifles innovation with extensive disclosure requirements

Innovation thrives in an environment where experimentation is encouraged. We support transparency, but the mandates contemplated in this bill would force disclosure of essential business intelligence and trade secrets to competitors and

customers. This would stifle innovation in the entire AI ecosystem - both at the model level and the application level - ultimately harming consumers.

To illustrate our concerns, this bill would amount to requiring a chef to post her recipes online each time she develops a new dish and how this dish varies from iteration to iteration. That would discourage restaurateurs from opening up shop in California because it provides a roadmap for competitors - or may encourage them to move elsewhere.

Instead, consider the valuable, consumer-informing transparency that we get from nutrition labels: the public learns ingredients, percentages, and so on. Not a step by step recipe.

We would encourage a similar approach here: metadata like rounded percentages of the language of the source material could serve the goals of transparency instead of the point by point disclosures in sections a(1) through a(12) - the special sauce. For these reasons we ask you to oppose AB 2013.

Sincerely,



A handwritten signature in black ink, appearing to be 'J. O. H. L.', is written over a faint, light blue background that contains some illegible text and a logo.