



**November 8, 2024**

Good afternoon CPPA Board Members and Staff,

My name is Robert Singleton, and I am the Director of Policy and Public Affairs for California and the US West region at Chamber of Progress, a tech industry association supporting public policies to build a more inclusive country in which all people benefit from technological leaps. I am here today to urge you to revise your approach and set aside this well-intentioned but ultimately flawed proposal to regulate automated decision-making tools, which exceeds the legislature's directive for an agency charged with creating **privacy** rules, and stands to harm consumers and innovation alike.

This expensive proposal - conservatively estimated to cost California businesses than \$3 billion by the California Chamber of Commerce - could create opt out rights where AI is not actually making decisions.

**The proposed rules' opt out requirements for consumer profiling are unworkable and will harm small businesses**

Allowing consumers to opt out of automated decisionmaking tools for consumer profiling creates a complex and potentially unworkable policy environment. Users are likely to be confused by the nuance of opting out.

Consumer profiles allow platforms to display relevant and interesting products to consumers. More specifically, these profiles undergird online advertising enabling platforms to deliver informative ads for consumers; this is most acute in large online marketplaces where small businesses are able to sell goods directly to consumers. With so many products competing for consumer attention, relevant advertising allows small businesses to reach customers who may otherwise not encounter their products. This enhances welfare for consumers, marketers and platforms alike.

**The proposed rules' opt out requirements for ADMT training data will impact internal business operations**

The rules propose a right for consumers to opt out of ADMT training data are similarly overreaching and problematic to implement. Training is not, in and of

itself, high risk, but regulating it as such will slow improvement in AI. California companies utilize AI models to improve their product offerings. Often, these are internal, not-consumer facing applications where the consumer-facing impact is minimal or even nonexistent. But they serve important purposes, such as allowing product testing and continuous product improvement. Moreover, training is not in and of itself a high-risk activity, but granting an opt-out right would require additional processing of consumer data since developers would to identify them during training - at odds with the agency's mandate to safe guard privacy. Here again, the CPPA is effectively legislating how companies operate their internal tools.

**The CPPA should protect privacy; leave legislating to legislators**

We commend the CPPA for automated decision-making. The current proposal adds substantial regulatory and compliance burdens to California startups without obviously advancing consumer privacy, and as discussed, may undermine it. But the matter under consideration is tantamount to legislating AI regulation. The legislature considered - but did not adopt - comparable policy during the recent session.

For these reasons, **we urge you to set aside this well-intentioned but flawed proposal.**

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Singleton". The signature is fluid and cursive, with a large initial "R" and a stylized "S".

Robert Singleton  
Director of Policy and Public Affairs, California and US West