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June 1, 2026

The Honorable Christopher Cabaldon, Chair,
Senate Standing Committee on Privacy,
Digital Technologies, and Consumer Protection,
California State Senate,
1020 N Street, Room 568,
Sacramento, CA 95814

Dear Chair Cabaldon, Vice Chair Jones, and Members of the Committee on Privacy, Digital Technologies, and Consumer Protection,

The Consumer Technology Association (CTA) writes in opposition to Assembly Bill 412. The bill creates unworkable compliance burdens — including obligations that sweep in purely internal AI systems never made available to the public. Further, AB 412 likely conflicts with federal copyright law and ignores existing technology solutions that already help creators control how their content is used. We urge the committee not to advance AB 412.

CTA is North America's largest technology trade association. We represent more than 1200 American companies, many based in California, that support over 17 million U.S. jobs. Eighty percent of our members are small businesses and early-stage companies. CTA produces CES®, the world's most powerful technology event, and publishes the U.S. Innovation Scorecard, which measures how well states support innovation and entrepreneurship. AB 412 would weaken California's standing as a leader in technology innovation.

CTA raised concerns about AB 412 in 2025, and those concerns remain. Since then, technology has advanced quickly. Content creators now have more tools than ever to control where and how their works are used. Before advancing a one-size-fits-all mandate, the committee should consider whether technology solutions can better address these concerns than legislation. Requiring companies to identify and catalog all potential copyright holders in AI training datasets is unrealistic at scale, especially for startups and small businesses. This burden compounds further when applied to internal tools and incremental model modifications — uses that were never the intended target of copyright transparency legislation.

AB 412's definition of 'developer' sweeps far too broadly. As written, it captures any entity that uses a generative AI model commercially in California, including companies deploying AI strictly for internal business purposes never made available to the public. No comparable legislation takes this approach. New York, for example, limits applicability to models made available to the public. Regulating purely internal enterprise tools the same way as public-facing AI models is disproportionate and would subject routine business applications to compliance requirements designed for an entirely different context.

The bill also fails to define what constitutes a 'substantial modification' to a generative AI model. Many companies routinely fine-tune or adapt AI models for specific business functions. Without a clear threshold, companies cannot determine whether ordinary adjustments trigger the bill's

full compliance obligations. That ambiguity alone would chill legitimate AI development. The market has already produced strong tools to limit AI training on copyrighted content. Web hosting services now offer protections against AI scraping, and third-party anti-scraping tools are widely available. Watermarking and other technologies can also make images, video, and other works unusable for AI training. Technology evolves faster than legislation, and these tools are more likely to keep pace with future AI developments.

AB 412 conflicts with the federal copyright framework Congress established under the Copyright Act of 1976. Copyright law in the United States is exclusively federal, designed to create uniform rules for creators, businesses, and courts nationwide. Central to that framework is the fair use doctrine under 17 U.S.C. § 107, which permits certain uses of copyrighted material that are transformative or serve the public interest. Federal courts are actively litigating whether training AI models on copyrighted content constitutes fair use. AB 412 would effectively prejudge those federal questions by imposing state-level liability on conduct that federal law may permit — precisely the kind of conflict the federal copyright framework was designed to prevent.

California's leadership in AI comes from its strong innovation ecosystem. AB 412 introduces legal uncertainty, imposes compliance burdens with no basis in federal law, and attempts to solve problems that existing technology solutions are already equipped to address. The bill's technical requirements, including a fingerprint-matching mechanism, an obligation to assess whether covered material is 'likely to be present' in a dataset, and a 30-day response timeline with per-day penalties are more demanding than any comparable legislation. No other state has imposed requirements of this scope. We urge you to reject AB 412.

Sincerely,

A handwritten signature in black ink that reads "Kinsey Fabrizio". The signature is written in a cursive, flowing style.

Kinsey Fabrizio
President and CEO
Consumer Technology Association