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MEMORANDUM IN OPPOSITION S.6953A (Gounardes)/A.6453A (Bores) "Responsible Al Safety and Education Act"

The Consumer Technology Association[®] (CTA) opposes S.6953/A.6453, the "Responsible AI Safety and Education Act" – referred to hereafter as the RAISE Act.

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

New York is competing to be a global center for Al development. Now is not the time to advance legislation that puts that in jeopardy. We strongly believe that Al should be developed in a safe, fair, and trustworthy manner, but unfortunately the RAISE Act does not accomplish that goal. Instead, the bill would lead to significant uncertainty, compliance costs, and roadblocks for New York's growing Al economy.

Overly Broad Scope

The RAISE Act would subject AI developers to broad, and likely unworkable, compliance requirements. The definition of "critical harm" is written in such a way that model developers would have the near-impossible task of predicting every hypothetical downstream use of their system. Similarly, the ambiguous definition of "safety incident" would leave developers responsible for accounting for theoretical incidents that could prove impossible to accurately track.

Threat to Open-Source Models

The RAISE Act has the stated intention of regulating safety in the largest frontier models, but it would end up having significant negative ramifications for much of New York's AI ecosystem. The chilling effect of unworkable compliance requirements and large enforcement risk would be particularly acute for open models. This discourages smaller companies from contributing to open model development, and risks putting the

availability of open models in jeopardy for all New York companies. Given the degree to which many startups rely on open models as the foundation for their products, this would have a major chilling effect on New York's AI economy.

Unworkable Third-Party Audits

The RAISE Act requires third-party audits of models but fails to recognize that an adequate industry of such auditors does not yet exist. This would put companies in a position of significant risk in a market where the vendors needed to satisfy the RAISE Act's requirements are not available. Even if auditors could be found, there is not yet consensus on what industry standards such vendors would be held to.

Conclusion

CTA is dedicated to supporting the safe, fair, and trustworthy development of AI. The RAISE Act would not accomplish that goal. But it would create major roadblocks to innovation and threatens New York's position as an AI leader. We look forward to working with you to find ways to encourage New York's AI ecosystem and ensure that companies can bring life-improving technologies to market.

Sincerely,

CONSUMER TECHNOLOGY ASSOCIATION

/s/ Michael Petricone
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<u>/s/ J. David Grossman</u>
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Vice President, Policy & Regulatory Affairs