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CTA.tech

June 24, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Majority Leader Thune and Minority Leader Schumer,

On behalf of the Consumer Technology Association (CTA), we urge you to preserve the 10-year moratorium on the enforcement of state and local artificial intelligence (AI) laws in the final budget legislation. The moratorium is essential to preserving America's global leadership in AI, protecting open markets, and giving Congress the space to establish a rational, unified national framework for the most important technology of our time.

AI is not just another wave of innovation. It is a foundational leap—one with the power to dramatically improve lives. With the right conditions, AI will solve some of society's hardest problems—from energy production to chronic disease to climate resilience. But that future is now under threat. Over 1,000 state and local AI bills have been introduced in 2025—many overlapping, inconsistent, or outright contradictory. This isn't regulation—it's chaos. And it doesn't restrain entrenched power—it protects it.

America's startups and small businesses stand to lose the most from this patchwork approach—buried by unsustainable compliance costs before they can even get to market. When navigating red tape becomes more expensive than building the product, the product never gets built. This issue is especially critical for CTA, as more than 80% of our member companies are small businesses.

Despite suggestions to the contrary, the moratorium does not prevent states from protecting consumers or enforcing public interest laws. States can still act—so long as they do so in technology-neutral ways. For example, they can regulate deceptive practices, discrimination, or safety risks without singling out AI systems or imposing

conflicting technical mandates on their design or use.

We've seen this approach work before. In the 1990s, Congress preempted patchwork regulation of the internet. Laws like the Internet Tax Freedom Act were strategic safeguards that let the internet grow. And it worked: America led the digital revolution.

Now the stakes are even higher. China is moving fast, with unified national investment and a centralized AI strategy. If we let ourselves get bogged down in a regulatory patchwork, we won't just fall behind—we'll lock ourselves out of the future.

Keeping the moratorium is the right move—for innovation, for competition, for American leadership. It gives our startups a chance. It gives Congress time to act. And it ensures that the U.S.—not authoritarian regimes—sets the rules for how this powerful technology evolves.

Thank you for your leadership and your continued commitment to American innovation.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Shapiro". The signature is fluid and cursive, with the first name "Gary" and last name "Shapiro" clearly distinguishable.

Gary Shapiro
CEO and Vice Chair
Consumer Technology Association