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May 20, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Johnson,

The Consumer Technology Association (CTA) enthusiastically supports the Energy & Commerce Committee's proposed 10-year moratorium on state-level AI regulations—a bold and forward-looking policy that will unlock America's full potential to lead the coming AI revolution. This is our generation's opportunity to spark a new wave of innovation that lifts productivity, creates high-quality jobs, and solves some of society's greatest challenges—all while reinforcing America's position as the global leader in technological progress. By establishing clear federal leadership now, we can ensure AI develops in an environment that fosters both breakthrough innovation and responsible growth.

Today, more than 1000 AI-related bills are pending in state legislatures—a chaotic patchwork that would impose crushing compliance burdens, particularly on small businesses and startups. CTA represents the breadth of the tech industry, and 80% of our members are small businesses. These innovators, including those serving on CTA's Entrepreneur Council are the lifeblood of American entrepreneurship but lack the resources to navigate 50 different regulatory regimes. A federal, non-balkanized approach is not just preferable; it is essential to ensuring that the next generation of AI pioneers can compete, scale, and thrive.

History offers a clear lesson. The Telecommunications Act of 1996 and the Internet Tax Freedom Act (1998) established federal guardrails that prevented state and local overreach, allowing the commercial internet to flourish. These policies were instrumental in creating the conditions for American tech dominance. By contrast, Europe's heavy-handed, prescriptive AI regulations have already stifled innovation, leaving the region struggling to keep pace. We cannot afford to repeat their mistakes.

Critics mischaracterize this moratorium as a concession to "Big Tech," but the reality is precisely the opposite: Only the largest technology companies—those with armies of compliance lawyers and established regulatory affairs divisions—can afford to navigate

50 different state regulatory regimes. Small companies and startups, where most innovators are found, can't. Open-source communities can't. The entrepreneurs who could build the next transformative AI breakthroughs are exactly those who would be regulated out of existence under a patchwork system.

The moratorium does not mean abdicating oversight; it means pausing state-level fragmentation while Congress develops a risk-based federal framework, leveraging existing laws (from consumer protection to civil rights) and agency expertise (FTC, DOJ) to address harms without stifling progress. CTA's [National AI Policy Framework](#) offers one such pathway for Congress to consider.

The stakes extend beyond economics. If we regulate AI into paralysis, we cede the future to China, which is aggressively deploying AI to expand its authoritarian influence. American leadership in AI must be rooted in our values—transparency, freedom, and innovation—but that leadership requires a policy environment that empowers, rather than encumbers, our builders.

We urge the Congress to act decisively. The choice is clear: a unified national strategy that fosters innovation, or a labyrinth of state laws that will derail it. Let's not regulate AI out of existence before it can transform our economy and society for the better.

Sincerely,

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