

**PREPARED TESTIMONY AND STATEMENT FOR THE
RECORD
OF**

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on behalf of herself and Dr. Sarah Myers West, Co-Executive Director, AI Now Institute

“AI REGULATION AND THE FUTURE OF US LEADERSHIP”

BEFORE THE

**U.S. HOUSE COMMITTEE ON ENERGY, COMMERCE
SUBCOMMITTEE ON COMMERCE, MANUFACTURING, AND TRADE**

Chair Guthrie, Ranking Member Pallone, and Members of the Committee, thank you for inviting me to appear before you and provide testimony on this important issue. My name is Amba Kak and I am the Co-Executive Director of the AI Now Institute. Founded in 2017, AI Now is the leading independent research institute focused on expert analysis and policy recommendations to tackle concerns about artificial intelligence (“AI”). I have fifteen years of experience working on technology policy in the United States and multiple other jurisdictions, and in roles across government and academia, as well as within the tech industry and civil society. This testimony is offered on behalf of myself and my colleague Dr. Sarah Myers West; our remarks are based on research conducted at AI Now and draw from a range of academic, technical, and civil-society sources.

We’re at a historically significant inflection point in the trajectory of artificial intelligence (AI), and I deeply appreciate this Subcommittee’s ongoing attention to the important question of how to define American leadership on AI, and the path to get there.

The terms of this debate are increasingly abstract: a race to technical milestones like superintelligence that are the stuff of science fiction; and great-power competition between nation-states. **But this race to win on AI must be focused on delivering victories, first and foremost, to the American people.** To do this, we must ensure that US leadership defines the frontier through technologies that are best in class, guarantees that firms compete on the merits, and sets a gold standard for rigor, security, and shared prosperity. **In short, we need to ensure this is a race to the top rather than the bottom.** Absent commonsense regulations, we are incentivizing an industry that the future will define by its reckless disregard for public well-being, best known for peddling snake oil products and a willingness to waste unprecedented amounts of money with little to show for it.

We're already seeing this kind of behavior from AI firms: Last year a chatbot created by [Character.AI](#) lured a depressed fourteen-year-old from Orlando Florida, Sewell Setzer III, to commit suicide. This lonely young man developed an intimate relationship with a companionship bot to whom he poured out his heart and soul. When he said he didn't want to be alive anymore, the chatbot told Setzer to "please come home to me as soon as possible, my love." Minutes later, the young man shot himself.¹

Instead of acknowledging the significance of how manipulative such companionship tools are for children, Character.AI has responded as though it should be allowed to operate with impunity, asserting that its chatbots should have the same free-speech rights that humans have, and thus bear no responsibility for users' actions.² The idea that companies creating products used by children, products that also enable fraud, scams, and sensitive data leaks, should be free of any scrutiny is absurd. And Character.AI isn't alone. Just a few weeks ago, Meta's Mark Zuckerberg claimed that "the average American" has fewer than three friends; the solution, according to him, is to get more people attached to these companionship tools.³ Remember that this is the same company brought before Congress many times to address similar kinds of problems: This is the company that created "digital companions" that have explicit conversations with children,⁴ and recommended profiles of minors to groomers.⁵

This is an industry that has fooled us once; we can't let them fool us again with AI. We are still grappling with an information environment that has impoverished our collective attention and eroded our autonomy, not only through imposing invasive and manipulative modes of surveillance, but by compromising our ability to think for ourselves.

It is an industry that functions today to concentrate wealth and power in the hands of a very few, leaving the vast majority of citizens at their mercy. These companies have demonstrated over and over that they have no regard for the public's well-being, especially the well-being of our children; they've also shown no regard for US national priorities as they've deliberately threatened security interests in the pursuit of profit.⁶

¹ Kevin Roose, "Can A.I. Be Blamed for a Teen's Suicide?" *New York Times*, October 23, 2024, <https://www.nytimes.com/2024/10/23/technology/characterai-lawsuit-teen-suicide.html>.

² Meetali Jain and Camille Carlton, "Character.AI Opens a Back Door to Free Speech Rights for Chatbots," *Mashable*, May 10, 2025, <https://mashable.com/article/chatbots-lawsuit-free-speech>.

³ Dwarkesh Patel, "Mark Zuckerberg – Meta's AGI Plan," Dwarkesh Podcast, April 29, 2025, <https://www.dwarkesh.com/p/mark-zuckerberg-2>.

⁴ Jeff Horwitz, "Meta's 'Digital Companions' Will Talk Sex With Users—Even Children," *Wall Street Journal*, April 26, 2025, <https://www.wsj.com/tech/ai/meta-ai-chatbots-sex-a25311bf>.

⁵ Riley Griffin and Kurt Wagner, "Instagram Suggested 'Groomers' Connect With Minors, FTC Says," *Bloomberg*, May 6, 2025, <https://www.bloomberg.com/news/articles/2025-05-06/instagram-urged-groomers-to-connect-with-minors-ftc-says>.

⁶ Former Meta executive Sarah Wynn-Williams recently testified that the company regularly briefed the Chinese Communist Party as early as 2015 on critical emerging technologies, including AI. As she put it: "There's a straight line you can draw from these briefings to the recent revelations that China is developing AI models for military use, relying on Meta's Llama model". See Sarah Wynn-Williams, "Testimony before the U.S. Senate Committee on the Judiciary," April 9, 2024,

We don't need to wait another decade to know how it goes: The introduction of these systems concentrates power among the deployers of the tech, leaving those on the receiving end more insecure, vulnerable, and unable to contest the determinations made by the “smart machine” at the expense of the broader public. These tools are often invisible to those judged by them, and inscrutable even when they are visible. We're already seeing AI tools supercharge fraud and scams affecting everyday Americans through tools like voice cloning.⁷ Amid the headiness of current AI hype, we're seeing the worst of these companies reemerge: overclaiming benefits and sweeping risks under the rug; resisting basic transparency at every level; and building an economic model designed to extract and centralize value in tech corporations, and devalue the world outside of them.

The good news is that this isn't the only path available to us—not by a long shot. Even as federal legislation has lagged, state legislatures have moved to enact measures to meet the moment. Nonconsensual deepfake imagery offers an instructive example: An overwhelming number of states have passed bipartisan laws cracking down on the creation and spread of such imagery, offering frontline protections to Americans before the Take It Down Act passed Congress.⁸ In the absence of Congressional action, ensuring states can protect kids, consumers, and a level playing field is crucial—and that includes making sure that state law enforcers have the tools they need to prevent AI-driven abuse.

It's still early days, and many legislative efforts in the states have been hamstrung by stiff corporate lobbying; much more remains to be done to meaningfully put the AI industry on the hook.⁹ But today we're at risk of turning back the clock on even the limited progress we have made. The recent proposal for a sweeping moratorium on all state AI-related legislation and enforcement flies in the face of common sense: We can't treat the industry's worst players with kid gloves while leaving everyday people, workers, and children exposed to egregious forms of harm.

In this testimony, I want to make three additional points to clear the air and clarify what is at stake at this crucially important juncture:

https://www.judiciary.senate.gov/imo/media/doc/2024-04-09_testimony_wynn-williams.pdf. See also AI Now Institute, “Safety and War: Safety and Security Assurance of Military AI Systems,” June 25, 2024, <https://ainowinstitute.org/publications/safety-and-war-safety-and-security-assurance-of-military-ai-system>; and Heidy Khlaaf, “New Report on the National Security Risks from Weakened AI Safety Frameworks,” AI Now Institute, April 21, 2025, <https://ainowinstitute.org/news/announcement/new-report-on-the-national-security-risks-from-weakened-ai-safety-frameworks>.

⁷ Federal Trade Commission, “New FTC Data Show a Big Jump in Reported Losses to Fraud to \$12.5 Billion in 2024,” press release, <https://www.ftc.gov/news-events/news/press-releases/2025/03/new-ftc-data-show-big-jump-reported-losses-fraud-125-billion-2024>.

⁸ Public Citizen, “Tracker: State Legislation on Deepfakes in Elections,” last updated May 13, 2025, <https://www.citizen.org/article/tracker-legislation-on-deepfakes-in-elections>.

⁹ Suzanne Smalley, “How Software Giant Workday Is Driving State Legislation to Regulate AI,” *The Record*, March 7, 2024, <https://therecord.media/human-resources-artificial-intelligence-state-legislation-workday>

***First*, the AI market is fundamentally rigged to further concentrate power in Big Tech, entrenching a culture of recklessness and impunity. We need to use all of the tools at our disposal—federal and state—to level the playing field and foster competition on the merits.**

***Second*, in the absence of Congressional action, bipartisan legislatures at the state level have developed commonsense rules that chip away at the transparency crisis in AI and target the bad apples among AI firms.**

***Third*, working people across the country have the most to lose from a regulatory vacuum. Momentum is rapidly building across states to prevent the misuse of workplace surveillance and AI management tools that erode worker autonomy, and to respond to threats of automation.**

- 1. The AI market is fundamentally rigged to further concentrate power in Big Tech and line the pockets of venture capital, cultivating a business culture of recklessness and impunity. We need to use all of the tools at our disposal—federal and state—to level the playing field and foster competition on the merits.**

Unless we contend with the power vested in Big Tech firms, we won't meaningfully be able to hold the AI industry accountable to the interests of consumers and working people. There is bipartisan consensus on the need for urgent intervention to reduce the systemic vulnerabilities to the economy introduced by this dominance and power.¹⁰ Let's be clear: There is no AI without Big Tech.¹¹ When ChatGPT first launched in late 2022, it seemed like the market was poised for disruption, with a new crop of Silicon Valley challengers like OpenAI, Anthropic, StabilityAI, and Inflection AI gaining prominence. But now, just more than two years later, it is clear that the bench of key players in this market hasn't changed much: Microsoft, Google, Meta, Musk's xAI, OpenAI (backed by Microsoft), and Anthropic (backed by Amazon and Google).¹² Put simply, building AI bigger requires enormous resources (computing power, data, talent, and unrestricted access to capital)—resources that Big Tech firms own and control.¹³

These tech giants effectively deliver a one-two punch to potential competitors and smaller, emerging AI firms: First of all, they control access to both key inputs and the pathways to market that AI startups need to succeed, making the broader ecosystem of players reliant on the entrenched behemoths for their survival.¹⁴ Then, Big Tech firms compete against AI startups in

¹⁰ Adam Kravitz, "The Bipartisan Consensus on Antitrust and Big Tech: What Congress Has in Store," *Fordham Journal of Corporate and Financial Law*, November 4, 2022, <https://news.law.fordham.edu/jcfl/2022/11/04/the-bipartisan-consensus-on-antitrust-and-big-tech-what-congress-has-in-store>.

¹¹ Amba Kak and Sarah Myers West, *2023 Landscape: Confronting Tech Power*, AI Now Institute, April 11, 2023, <https://ainowinstitute.org/publications/research/2023-landscape-confronting-tech-power>.

¹² David Cahn, "Steel, Servers and Power: What it Takes to Win the Next Phase of AI," Sequoia, August 5, 2024, <https://www.sequoiacap.com/article/steel-servers-and-power>.

¹³ Kak and West, *2023 Landscape: Confronting Tech Power*.

¹⁴ Jai Vipra and Sarah Myers West, *Computational Power and AI*, AI Now Institute, September 27, 2023, <https://ainowinstitute.org/publications/compute-and-ai>.

the very same downstream markets for which they supply inputs.¹⁵ They also shape the pipeline for innovation: In 2023, three firms—Google, Microsoft, and Amazon—accounted for two-thirds of funding for AI startups.¹⁶ We shouldn't be surprised when Big Tech firms then abuse this dominant position, whether by using inputs derived from their illegally maintained monopolies to train their own AI models¹⁷ or by striking exclusive deals with phone distributors to self-preference their own AI models,¹⁸ making it all but impossible for AI startups to effectively compete.¹⁹ When Google pays Samsung an “enormous sum of money” each month to preinstall the Gemini AI app on Samsung devices, that is as much a move to cement its own dominance as to make it harder for Samsung to invest in its own Bixby offering.²⁰

This status quo—a highly concentrated market dependent on a few players—is not launching dozens of AI winners into the marketplace; instead, it is hindering market success. We saw this recently when, despite being home to the biggest and most powerful tech companies in the world, every US tech company was out-innovated by a small Chinese firm called DeepSeek.²¹ At the same time, we know that incumbents are historically less likely to innovate. Big Tech companies have been roiled by legal delays and turf wars, slowing down their ability to launch products quickly.²² These examples do not paint a picture of a thriving and competitive AI market, but one that is struggling to emerge under the weight of Big Tech's power. In a global survey of small businesses, 80 percent of respondents noted concerns that AI development was outpacing regulation.²³

In fact, the claim that burdensome state regulation will kill smaller AI firms and hurt competition is, to put it plainly, a myth manufactured by Big Tech firms and self-interested venture

¹⁵ Open Markets, *Stopping Big Tech from Becoming Big AI: A Roadmap for Using competition Policy to Keep Artificial Intelligence Open for All*, October 17, 2024, <https://www.openmarketsinstitute.org/publications/report-stopping-big-tech-big-ai-roadmap>.

¹⁶ George Hammond, “Big Tech Outspends Venture Capital Firms in AI Investment Frenzy,” *Financial Times*, December 29, 2023, <https://www.ft.com/content/c6b47d24-b435-4f41-b197-2d826cce9532>.

¹⁷ See Erin Woo, “Google Used Search Data to Train AI Models,” *The Information*, April 21, 2025, <https://www.theinformation.com/briefings/google-used-search-data-train-ai-models>; and Kate Brennan, “The Elephant in the Room in the Google Search Case: Generative AI,” Tech Policy Press, November 4, 2024, <https://www.techpolicy.press/the-elephant-in-the-room-in-the-google-search-case-generative-ai>.

¹⁸ Erin Woo, “Google's Gemini Contracts Repeat Search Moves, Government Says,” *The Information*, April 21, 2025, <https://www.theinformation.com/briefings/googles-gemini-contracts-repeat-search-moves-government-says>.

¹⁹ Erin Woo, “Perplexity Says Google Deals Hindered Distribution,” *The Information*, April 23, 2025, <https://www.theinformation.com/briefings/perplexity-says-google-deals-hindered-distribution>.

²⁰ Wes Davis, “Google Is Paying Samsung an ‘Enormous Sum’ to Preinstall Gemini,” *Verge*, <https://www.theverge.com/news/652746/google-samsung-gemini-default-placement-antitrust-trial>.

²¹ Cade Metz, “What to Know About DeepSeek and How It Is Upending A.I.,” *New York Times*, January 27, 2025, <https://www.nytimes.com/2025/01/27/technology/what-is-deepseek-china-ai.html>.

²² Erin Woo, “Google's AI Efforts Marred by Turf Disputes,” *The Information*, February 18, 2025, <https://www.theinformation.com/articles/googles-ai-efforts-marred-by-turf-disputes>.

²³ Xero, *Future Focus: Xero's AI Guide for Accountants and Bookkeepers*, accessed May 19, 2025, https://s3.us-east-1.amazonaws.com/primeglobal-assets/pages/files/Future_Focus_-_Xeros_AI_guide_for_accountants_and_bookkeepers.pdf, 11.

capitalists.²⁴ Responsible AI startups aren't hindered by state laws that protect children and consumers, but rather by the inability to compete with Big Tech's entrenched market power.

This concentration of power isn't just a problem for potential competitors of Big Tech. Too much centralized economic power in the hands of too few harms our democracy—especially when these very same actors have proven themselves to be reckless custodians of this power. When these very same companies resist commonsense guardrails in the name of “innovation,”²⁵ it's time to question the premise: Is this scramble for reckless growth that further empowers a handful of surveillance monopolies, leaving smaller companies with the crumbs of their profits, the kind of innovation we want?

No. We need to use all of the tools at our disposal—equipping state and federal lawmakers and enforcers—to interrupt this culture of recklessness and impunity and ensure a free, fair, and competitive market.

Second, in the absence of Congressional action, bipartisan legislatures at the state level have developed commonsense rules that chip away at the transparency crisis in AI and target the bad apples among AI firms.

AI isn't some hypothetical tool that will affect us in years to come: It's already in use and affecting our lives, though frequently it operates on us without our knowledge. Let me offer some examples: In 2023, a healthcare giant used secret algorithms to mass-reject insurance claims. Patients were made to believe there was a “doctor in the loop,” but it turned out the doctors were rubber-stamping automated decisions without even reviewing patients' files.²⁶ Meanwhile, an AI interview platform used by some of the largest employers in the country publicly claimed that its tools wouldn't be used to screen out candidates—and yet public records requests showed it helped school districts do exactly that.²⁷ A car insurance firm that used an innocuously named “price-adjustment algorithm” to identify which customers the system predicted were “willing to pay” used data collected about them to squeeze more money out of them through rate hikes of up to 20 percent, while imposing rate increases of only five percent on

²⁴ Venture capital firms are incentivized to fund startups that can eventually be bought out by a Big Tech company. See generally Catherine Bracy, *World Eaters: How Venture Capital is Cannibalizing the Economy* (Penguin Random House 2025); Alex Rosenblat, *Uberland: How Algorithms Are Rewriting the Rules of Work* (Univ. of Cali. Press 2019).

²⁵ See Shirin Ghaffary, “OpenAI Says California's Controversial AI Bill Will Hurt Innovation,” Bloomberg, August 21, 2024, <https://www.bloomberg.com/news/articles/2024-08-21/openai-says-california-s-controversial-ai-bill-will-hurt-innovation>; and Greg Bensinger, “Big Tech Wants AI to Be Regulated. Why Do They Oppose a California AI Bill?” Reuters, August 27, 2024, <https://www.reuters.com/technology/artificial-intelligence/big-tech-wants-ai-be-regulated-why-do-they-oppose-california-ai-bill-2024-08-21>.

²⁶ Patrick Rucker et al., “How Cigna Saves Millions by Having Its Doctors Reject Claims Without Reading Them,” *ProPublica*, March 25, 2023, <https://www.propublica.org/article/cigna-pxdx-medical-health-insurance-rejection-claims>.

²⁷ Hilke Schellmann, *The Algorithm: How AI Decides Who Gets Hired, Monitored, Promoted, and Fired and Why We Need to Fight Back Now* (Da Capo, 2024), <https://www.dacapopress.com/titles/hilke-schellmann/the-algorithm/9780306827341>.

others.²⁸ Meanwhile, in the public sector, inscrutable AI systems cut the in-home care of four thousand disabled people in Arkansas despite them having medical conditions that had not gotten better; falsely accused forty thousand people in Michigan of unemployment insurance fraud; and subjected four million people in Texas to the potential loss of health insurance through a complex AI-enabled Medicaid enrollment system.²⁹

These examples are the tip of the iceberg: We only know about them because of whistleblowers, investigative reporting, litigation, and public records requests. It should not surprise us that these AI systems often work against the interests of the consumers and workers they impact, given that they spring from an industry that benefits from opacity at multiple layers—from technical inscrutability to corporate secrecy.

Multiple states have stepped up to chip away at this crisis of transparency, requiring disclosures to people affected by algorithmic decisions in areas including healthcare, employment, housing, and education.³⁰ Dozens more are considering such legislation along similar lines.³¹ These aren't onerous obligations; they're baseline disclosures that give people a fair understanding of when and how these tools are affecting their lives and livelihoods.

States are also passing bright-line rules that protect the public and the market from bad apples and snake oil salesmen. Through targeted measures designed to weed out the worst harms, bipartisan measures have tackled the kind of behavior nobody in the business wants to be associated with: Two-thirds of US states have laws against AI-generated deepfake porn (most recently, the state of Montana, just ten days ago).³² Half of US states have laws targeting AI-generated deceptive election materials.³³ At least eleven (from Arizona to Connecticut) have

²⁸ Maddy Varner and Aaron Sankin, "Suckers List: How Allstate's Secret Auto Insurance Algorithm Squeezes Big Spenders," *The Markup*, February 25, 2020, <https://themarkup.org/allstates-algorithm/2020/02/25/car-insurance-suckers-list>.

²⁹ TechTonic Justice, *Inescapable AI: The Ways AI Decides How Low-Income People Work, Live, Learn, and Survive*, November 2024, <https://www.techtonicjustice.org/reports/inescapable-ai>.

³⁰ Colorado: SB 24-205 requires notice and explanation for a wide range of decisions, including all those listed above; Minnesota: HF 4757 (2024) includes right to explanation for nearly all automated decisions affecting consumers (but not workers); Illinois: HB 3773 (2024) requires notice whenever employers use AI in employment decisions; see also NYC LL144 (2021), requiring notice for automated hiring and promotion decisions.

³¹ National Conference of State Legislatures (NCSL), "Artificial Intelligence 2025 Legislation," last updated April 24, 2025, <https://www.ncsl.org/technology-and-communication/artificial-intelligence-2025-legislation>.

³² See Madyson Fitzgerald, "States Race to Restrict Deepfake Porn," *Missoula Current*, April 15, 2024, <https://missoulacurrent.com/deepfake-porn>; and Public Citizen, "Two-Thirds of States Enact Bills Protecting Public from Deepfake Porn," May 6, 2025, <https://www.citizen.org/news/two-thirds-of-states-enact-bills-protecting-public-from-deepfake-porn>.

³³ Public Citizen, "25 States Enact Laws to Regulate Election Deepfakes," May 13, 2025, <https://www.citizen.org/news/25-states-enact-laws-to-regulate-election-deepfakes>.

introduced bills regulating health insurance companies' use of AI to deny claims.³⁴ Tennessee³⁵ and California³⁶ have both enacted laws protecting artists against unauthorized use of their likeness.

What I've outlined here tells a story not of chaos, burdensome bureaucracy, or hyperpartisan politics, but instead of specific and easily administrable rules that target applications of AI that are patently unsafe—with a proven track record of harm—and that simply should not be allowed at all. This task is necessary to strengthen the public's trust in this technology, and to make sure that others in the market aren't tainted by association. For AI to live up to its potential as the transformative technology of our time, it cannot also be the domain of fraudsters and hacks.

Third, working people across the country have the most to lose from a regulatory vacuum.

Over the past several years, employers across the country have increasingly started using data and algorithms in ways that stand to have profound consequences for wages and working conditions. While this is occurring across industries and levels of management,³⁷ low-wage workers have been especially harmed by AI tools used in opaque, often exploitative ways to set

³⁴ Kyla Guilfoil, "Arizona Moves to Ban AI Use in Reviewing Medical Claims," NBC News, February 21, 2025, <https://www.nbcnews.com/tech/tech-news/arizona-moves-ban-ai-use-reviewing-medical-claims-rcna193135>.

³⁵ "Tennessee Becomes First State to Pass a Law Protecting Musicians Against AI," CBS News, March 21, 2024, <https://www.cbsnews.com/news/tennessee-becomes-first-state-to-protect-musicians-and-other-artists-against-ai>.

³⁶ Governor Gavin Newsom, "Governor Newsom Signs Bills to Protect Digital Likeness of Performers," press release, September 17, 2024, <https://www.gov.ca.gov/2024/09/17/governor-newsom-signs-bills-to-protect-digital-likeness-of-performers>.

³⁷ See for example Min Kyung Lee, Daniel Kusbit, Evan Metsky, and Laura Dabbish, "Working with Machines: The Impact of Algorithmic and Data-Driven Management on Human Workers," CHI '15: Proceedings of the 33rd Annual ACM Conference on Human Factors in Computing Systems (April 2015): 1603–1612, <https://dl.acm.org/doi/abs/10.1145/2702123.2702548>; Wilneida Negrón, "Little Tech Is Coming for Workers: A Framework for Reclaiming and Building Worker Power," Coworker.org, 2021, <https://home.coworker.org/wp-content/uploads/2021/11/Little-Tech-Is-Coming-for-Workers.pdf>; Antonio Aloisi and Valerio De Stefano, *Your Boss Is an Algorithm: Artificial Intelligence, Platform Work and Labour* (Oxford: Hart Publishing: 2022); Alexandra Mateescu and Aihua Nguyen, "Algorithmic Management in the Workplace," Data & Society, February 2019, https://datasociety.net/wp-content/uploads/2019/02/DS_Algorithmic_Management_Explainer.pdf; Richard A. Bales and Katherine V.W. Stone, "The Invisible Web at Work: Artificial Intelligence and Electronic Surveillance in the Workplace," *Berkeley Journal of Employment & Labor Law* 41, no. 1 (2020): 1–62, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3410655; Ifeoma Ajunwa et al., "Limitless Worker Surveillance," *California Law Review* 105, no. 3 (June 2017): 101–142, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2746211; and Kirstie Ball, "Electronic Monitoring and Surveillance in the Workplace: Literature Review and Policy Recommendations," Joint Research Centre (European Commission), November 15, 2021, <https://op.europa.eu/en/publication-detail/-/publication/e7e6f646-4694-11ec-89db-01aa75ed71a1/language-en>.

workers' benchmarks and pay,³⁸ productivity quotas,³⁹ and AI-enabled recommendations to hire, promote, demote, and fire.⁴⁰

This has only escalated with the latest wave of more advanced AI systems. Regardless of the actual efficacy of AI technology and its ability to effectively and safely replace human workers, fears about displacement by AI are justified: Companies are already using the supposed “productivity gains” that they claim AI will bring to justify the fissuring, automation, and, in some cases, the elimination of work.⁴¹ The recent push for agentic AI, despite the evidence that AI systems are prone to hallucination and other errors, demonstrates that companies are not waiting for evidence that AI is actually capable of replacing human labor to use it as a justification for laying off or refusing to hire workers.⁴²

Multiple states have already passed laws that create task forces to better understand these multiplying impacts of AI on workers.⁴³ There is growing momentum across a range of specific threats as well—with pending bills that require transparency around the use of AI systems in the workplace, notice for AI-driven layoffs, and rules that prevent the misuse of AI management software or those that prevent especially invasive (and pseudo-scientific) modes of surveillance such as so-called “emotion-recognition” systems in the workplace.⁴⁴

Americans are increasingly encountering AI in the workplace, often on a daily basis, and state legislatures are filling the regulatory vacuum through prudent measures that protect workers from harm. These bills stand to protect millions of workers across the country, from truck drivers and grocery store workers to nurses, Hollywood actors, and programmers.

To conclude: Now is a moment for action; we don't have ten years to wait. Blanket federal preemption at a time when there are minimal federal rules in place at all would set back the clock and freeze it there, leaving the public entirely disempowered and vulnerable when it matters most. The relative scale of AI adoption, compared to social media, underscores this urgency.

³⁸ Tracey Lien, “Uber Class-Action Lawsuit over How Drivers Were Paid Gets Green Light from Judge,” *Los Angeles Times*, February 19, 2018, <https://www.latimes.com/business/technology/la-fi-tn-uber-class-action-20180219-story.html>.

³⁹ Jodi Kantor and Arya Sundaram, “The Rise of the Worker Productivity Score,” *New York Times*, August 14, 2022, <https://www.nytimes.com/interactive/2022/08/14/business/worker-productivity-tracking.html>.

⁴⁰ Aaron Rieke and Miranda Bogen, “Help Wanted: An Examination of Hiring Algorithms, Equity, and Bias,” *Upturn*, December 10, 2018, <https://www.upturn.org/work/help-wanted>.

⁴¹ See Jay Peters, “Duolingo Will Replace Contract Workers with AI,” *Verge*, April 28, 2025, <https://www.theverge.com/news/657594/duolingo-ai-first-replace-contract-workers>; Annie Palmer, “Shopify CEO Says Staffers Need to Prove Jobs Can't be Done by AI Before Asking for More Headcount,” *CNBC*, April 7, 2025, <https://www.cnbc.com/2025/04/07/shopify-ceo-prove-ai-cant-do-jobs-before-asking-for-more-headcount.html>; and Brian Merchant, “AI Is Already Taking Jobs in the Video Game Industry,” *Wired*, July 23, 2024, <https://www.wired.com/story/ai-is-already-taking-jobs-in-the-video-game-industry>.

⁴² Peters, “Duolingo Will Replace Contract Workers with AI.”

⁴³ Multistate.ai (website), accessed May 19, 2025, <https://www.multistate.ai/states-studying-ai>.

⁴⁴ National Conference of State Legislatures (NCSL), “Artificial Intelligence 2025 Legislation,” last updated April 24, 2025, <https://www.ncsl.org/technology-and-communication/artificial-intelligence-2025-legislation>.

It took Facebook about eight years to hit one billion users; OpenAI is already (self-reportedly) likely to exceed one billion users by the end of 2025, just three years after going to market.

The resounding lesson from the past decade of social media is that it is exceedingly difficult, if not impossible, to play regulatory catch-up with a tech sector once corrosive and harmful business models are already entrenched. **The list of regulatory regrets is long**—if only we had prevented our attention from becoming a fungible commodity—restricting an invasive and manipulative model of targeted advertising to undergird the modern internet. Would our tech economy look different if we had acted to prevent the anticompetitive takeover of innovative new companies by the tech giants? Today, as state and federal lawmakers work to try to claw back accountability amid tech industry actors that are more well-resourced than ever, it can feel like a losing battle.

The American public sees the writing on the wall. As the harms from AI systems materialize across sectors, the idea that this is an industry that needs oversight, not free rein, is no longer radical—it is common sense. The 2025 Artificial Intelligence Policy Institute survey finds that 67 percent of Americans are concerned that we won't get timely government oversight, and 52 percent are more concerned than excited about this new wave of AI. 82 percent would even support creating a federal agency on AI. A moratorium on state law would fly in the face of these hard-learned lessons, supercharging the already skewed incentives proliferating in this market and leaving the public entirely disempowered and vulnerable precisely when it matters most.

I agree with the state attorneys general of Ohio, Michigan, California, New Jersey, and thirty-six other states who recently wrote to Congress to say that preempting state law fundamentally undermines core law enforcement responsibilities: “Imposing a broad moratorium on all state action while Congress fails to act in this area is irresponsible and deprives consumers of reasonable protections. State AGs have stepped in to protect their citizens from a myriad of privacy and social media harms after witnessing, over a period of years, the fallout caused by tech companies’ implementation of new technology coupled with a woefully inadequate federal response. In the face of Congressional inaction on the emergence of real-world harms raised by the use of AI, states are likely to be the forum for addressing such issues. This bill would directly harm consumers, deprive them of rights currently held in many states, and prevent State AGs from fulfilling their mandate to protect consumers.”⁴⁵

Historically, American innovation is at its best when it shows leadership grounded in clear commitments to the public good. But we’ve allowed the AI industry to become so big and powerful that it’s increasingly behaving in ways that are toxic to the public, and antithetical to competition by other players. **I urge the Subcommittee to set its expectations of these firms higher: Preserve the regulatory frameworks we have, and strengthen commonsense oversight of this market to ensure that it’s the American people, and not just its biggest and most influential corporations, who are the ultimate beneficiaries of the AI race.**

⁴⁵ National Association of Attorneys General, “Letter to Mike Johnson, John Thune, Hakeem Jeffries, and Chuck Schumer,” May 16, 2025, <https://coag.gov/app/uploads/2025/05/2025.05.15-Letter-to-Congress-re-Proposed-AI-Preemption-FINAL.pdf>.