

1 REPORTER'S TRANSCRIPT OF PROCEEDINGS

2
3 MEETING OF THE
4 CALIFORNIA PRIVACY PROTECTION AGENCY

5
6 PUBLIC COMMENT HEARING

7
8 WEDNESDAY, FEBRUARY 19, 2025

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10 Pages 1 - 84

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12 California Cannabis Appeals Panel Hearing Room
13 400 R Street Sacramento, California 95811

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1 APPEARANCES:
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3 Philip Laird, Agency's General Counsel
4 Bryce Avalos, Moderator
5 Megan White, Moderator
6 Jeff Bond
7 Jarick Sobie
8 Keir Lamont
9 Tasia Kiefer
10 Rob Retzlaff
11 Sarah Gagan
12 Anh Nguyen
13 Tim Newman
14 Travis Frazier
15 Nisha Patel
16 Julian Canete
17 Lucy Chinkezian
18 Ronak Daylami
19 William Martinez
20 Matt Regan
21 Laura Curtis
22 Sarah Pollo Moo
23 Victor Reyes
24 Carmen Comsti
25 Gilbert Lara

1 APPEARANCES (continued):

2

3 Deana Igelsrud

4 Carla Ortiz

5 Cheryl Brownlee

6 Craig Erickson

7 Tim Friedlander

8 Carin Gilfry

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P R O C E E D I N G S

AUDIO (03:59:12 HOURS)

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MR. LAIRD: Good afternoon, and welcome to the California Privacy Protection Agency Public Comment Session on the proposed CCPA update, cybersecurity audit, risk assessment, automated decision making technology and insurance regulations. My name is Phil Laird, and I serve as the Agency's general counsel.

Today is Wednesday, February 19, 2025, at approximately 2:00 p.m. I'm located at the Cannabis Control Appeals Panel Hearing Room on 400 R Street in Sacramento, California, and the hearing is also being broadcast online to allow for virtual participation.

Here with me today is Tamara Colson, Assistant Chief Counsel for the Agency's legal division, and Bryce Avalos and Megan White with our Public Affairs Division.

As a reminder, today's hearing is the second of two public comment hearings for this rulemaking package. In light of the catastrophic wild fires that burned through southern California in January, the Agency extended the public comment

1 period for these proposed regulations until today,
2 February 19.

3 Now today is the last day the Agency will
4 be accepting public comment orally or in writing on
5 the draft regulations as proposed in the notice
6 package.

7 Now, a few quick housekeeping matters
8 before we start during this hearing, we will listen
9 to and record the comments from members of the public
10 about the proposed regulations. You may also submit
11 written comments to the staff here physically by
12 emailing them to regulations at cpha.ca.gov, or by
13 mailing them by US Mail to the Agency Sacramento
14 office.

15 All comments are due today, and we ask
16 that written comments be submitted by 6:00 p.m.
17 Please note that oral and written comments are
18 treated equally, so you're only required to submit
19 your comment by one method for it to be considered
20 and responded to as part of the record.

21 Given the number of participants in
22 attendance today, we will begin by limiting comments
23 to three minutes per speaker. Once all participants
24 have had an opportunity to make a three-minute
25 comment, we will allow speakers to make additional

1 comments if they were unable to complete their
2 remarks during the first round. We also will take
3 breaks from time to time as needed.

4 All right now, a little bit on how to
5 participate. If you're attending in person and wish
6 to speak, please wait for me to call for public
7 comment, then move toward the podium and form a line.

8 It is helpful if you identify yourself
9 when you begin speaking, but this is entirely
10 voluntary, and you are free to refer to yourself with
11 the pseudonym or not a given name.

12 We will first take comments from those in
13 person and then move to those who are joining us
14 virtually. If you were here in person, please be
15 sure to hold the microphone very close to your mouth
16 and speak directly into the mic so everyone
17 participating remotely can hear you and so your
18 remarks can be recorded on the meeting record. We
19 have sensitive mics here at the C-CAP hearing room.

20 If you're attending via Zoom and you wish
21 to speak, please use the raise ha- -- raise your hand
22 function, which is in the reaction feature at the
23 bottom of your Zoom screen.

24 If you're joining by phone, please press
25 star 9 on your phone to show the moderator that you

1 were raising your hand. Our moderator will call your
2 name when it is your turn and request that you unmute
3 yourself to make your comment. When your comment is
4 completed, the moderator will mute you.

5 As is the case within person
6 participation, it is helpful if you identify
7 yourself, but this is entirely voluntary now.

8 If you're attending remotely and experience
9 any issue with the remote meeting, for example, the
10 audio dropping, please email info@coppa.ca.gov.

11 That's info@coppa.ca.gov. This will be monitored
12 throughout the meeting.

13 If there's an issue that affects the
14 remote meeting, we will pause the meeting to let our
15 technical staff work on fixing the issue.

16 We will not be responding to the public
17 comments or discussing the requirements and the
18 proposed regulations during today's hearing, but in
19 accordance with the Administrative Procedures Act,
20 all public comments submitted during the comment
21 period, including the oral comments from today's
22 hearing, will be responded to in the Agency's final
23 statement of reasons later in the rule making
24 process.

25 After considering the public comments,

1 the Agency may propose amendments to the original
2 proposed text to the regulations.

3 If the Agency proposes such amendments,
4 each person who has provided a public comment will
5 receive notice of the proposed amendments to the
6 text. To receive this notice, you need to provide us
7 with an email or mailing address as part of your
8 public comment.

9 I just want to say in advance, thank you
10 all for being here with us today. We really are
11 looking forward to hearing your feedback. We really
12 appreciate the feedback received to date, both in
13 writing and at our last public comment hearing.

14 But with that, no further ado, I'll turn
15 it over to Bryce, who is serving as our moderator
16 today. Thanks, Bryce.

17 MR. AVALOS: Thank you, Phill.

18 We are now open for public comment. To
19 make a public comment at this time, please raise your
20 hand using the raised hand feature or by pressing
21 star 9 if you're joining us by phone. I'll call your
22 name and unmute you when it's your turn to speak.
23 You'll have three minutes, and I'll give you a
24 thirty-second warning.

25 Jeff, I'm going to unmute you at this

1 time. You'll have three minutes to make your
2 comment. So please begin as soon as you're ready.

3 MR. BOND: Good afternoon, Chair Urban
4 and board members. Thank you for your efforts to
5 keep California's data safe and for giving me the
6 chance to speak today.

7 My business uses data powered and ADM --
8 ADMT tools to connect with customers and grow. I'll
9 soon have over 100,000 annual website hits, and I'm
10 very worried about the impact of your proposed
11 regulations.

12 My name is Jeff Bond, and I founded my
13 home inspection company, Inspect.net in 1992. I've
14 helped 15,000 families from a hundred countries
15 purchase homes in the Bay Area.

16 I'm a trained engineer and a licensed
17 contractor, and all my reports exceed all California
18 and national home inspection industry standards. I
19 want to ensure families invest in homes that are safe
20 and structurally sound.

21 Ninety percent of my customers find me
22 online thanks to data powered and automated digital
23 tools. I use targeted ads because I need to reach
24 the specific segment of people considering buying
25 homes in the Bay Area. I can't afford to waste money

1 advertising to the general public. If people opted
2 out of receiving automated data-driven ads, which
3 they might do simply because they're annoyed with the
4 proposed pop-up screens, I won't be able to reach the
5 right people.

6 That will be disastrous for my business,
7 but it gets worse.

8 Along with the ads, all my online
9 marketing directs people to my website, which I very
10 carefully crafted to be very useful and informative
11 as possible.

12 If people have to navigate multiple
13 pop-ups and root to my site, they'll likely just
14 leave before they even have a chance to explore it.
15 If people don't visit my website, I'll go out of
16 business. Obviously, that's really bad for me, but
17 it's really bad for potential buyers and homeowners
18 who lose an experienced local inspector working
19 directly for them, not an insurer or a broker.

20 And because California doesn't require
21 home inspections to be licensed, many people may end
22 up working with someone dangerously inexperienced.

23 Proposed regulations fail to recognize the
24 data-powered and automatic data tools offer many
25 benefits. Targeted ads offer -- often help people

1 find products and services they really need. And
2 data-powered and ADMT tools help my business like
3 mine, successfully compete against much bigger
4 players. I'm a tiny player.

5 Finally, the 100,000 website hits
6 threshold punishes businesses that are growing and
7 succeeding. As soon as I hit that threshold, I know
8 I'll have to undertake an expensive website redesign
9 and change my advertising and marketing, all my
10 tactics and ways that may put me out of business.

11 Again, this is not a fair or wise policy.
12 Please reconsider these regulations which will badly
13 hurt thousands of small California businesses. And
14 thank you again for allowing me to speak today.

15 Thank you.

16 MR. LAIRD: Thank you for your comment.
17 Jarick Sobie. I'm going to unmute you at this time.
18 You'll have three minutes to make your comment, so
19 please begin as soon as you're ready.

20 MR. SOBIE: Okay. Good afternoon. Sorry
21 about that. Thank you for letting me speak today.
22 My name is Jarick Sobie, and I'm co-owner of Lucky
23 Feet Shoes.

24 We have 13 shoe stores employing 62 people
25 in Southern California. Our website is vital to our

1 business, and I'm worried that the CPPA's proposed
2 pop-up screen requirements for cookie consent,
3 promotional communications, information on automated
4 decision-making technology, and opt-out offers will
5 badly hurt us. We get over a 100,000 website hits
6 annually, so we'd immediately be affected by these
7 requirements.

8 Lucky Feet Shoes sells footwear and arch
9 supports that help people with foot, leg, and back
10 pain. Our customers range from distance runners to
11 diabetes patients.

12 To fit people with the right shoes, we
13 need them to come into our stores so our specialists
14 can understand their specific health challenges,
15 measure their feet, and analyze their gait. To get
16 people into our stores, we first need them to visit
17 our website.

18 Almost all our marketing directs people
19 to our website, which we spent years making as
20 informative and easy to navigate as possible. People
21 can buy shoes for our website, but its primary
22 purpose is to guide them into our stores for a
23 fitting.

24 If people have to navigate several pop-up
25 screens to get to our site, we'll have a serious

1 problem. According to Forbes, 61% of people will
2 leave a website they can't find what they're looking
3 for in five seconds, and 88% won't return to a site
4 where they've had a bad experience.

5 So the proposed pop-up screens will almost
6 certainly mean fewer visitors to our website. That
7 means fewer visitors to our stores, fewer sales, and
8 fewer people getting help with their pain in mobility
9 issues.

10 I have two additional concerns. First,
11 the State estimates that will cost the small business
12 up to \$92,000 to make the websites compliant with the
13 new rules and \$20,000 a year for the next decade.
14 That's enormous expense for a small business like
15 myself, and it doesn't account for our lost sales.

16 Second, new regulations often allow
17 lawyers to prey on small businesses. They accuse us
18 of noncompliance, then threaten to sue us unless we
19 pay a hefty settlement.

20 It's a nightmare, both financially and
21 emotionally.

22 I appreciate your efforts to protect
23 California's privacy, but please consider revising
24 these rules so they're less punishing to small
25 businesses like mine. Big business can afford to

1 overhaul their marketing strategies, absorb reduced
2 sales, and pay tech experts and lawyers, but those
3 costs are devastating for small businesses like mine.

4 Thank you again.

5 MR. AVALOS: Thank you for your comment
6 here.

7 Lamont. I'm going to unmute you at this
8 time. You'll have three minutes to make your
9 comment, so begin as soon as you're ready.

10 MR. LAMONT: Thank you for the
11 opportunity to provide input. My name is Keir
12 Lamont, with the Future Privacy Forum. FPF is a
13 consumer privacy nonprofit focused on advancing
14 principled data practices in support of emerging
15 technology.

16 My comments today focus on provisions
17 regarding automated decision-making technology where
18 the board should consider providing clarity and
19 supporting interoperability with comparable US
20 frameworks.

21 First, we appreciate that the Agency has
22 narrowed in scope decision-making systems under
23 section 7001, subsection F from those that merely
24 facilitate a covered decision to those that
25 substantially facilitate a decision. The focus of

1 these rules should be on high-risk, automated
2 systems.

3 However the current guidance as to what
4 qualifies as substantially facilitating a decision
5 remains vague. Terms like "key factor" and "primary
6 factor" should be further defined or clarified
7 through illustrative examples so businesses can
8 reliably anticipate what technologies and practices
9 will fall within scope.

10 Second, developing US and global
11 frameworks to regulate ADMT systems typically take
12 steps to ensure that low-risk, low-complexity,
13 socially beneficial technologies are not disrupted.

14 In line with the emerging legal standards,
15 we encourage the Agency to consider categorical
16 exceptions, such as for systems that perform narrow
17 procedural tasks, as well as expanding the list of
18 presumptive technological exceptions to include
19 systems used for cybersecurity purposes.

20 Third, regulation of automated
21 decision-making technology typically focuses on
22 decisions about people, the provision or denial of
23 important life opportunities. The Agency's inclusion
24 of "access to" language in section 7150 and 7200
25 would be unique in the American legal context, and

1 the impact is unclear. This language could
2 potentially pull into scope, low-risk commonplace
3 systems that are not used to make decisions, such as
4 technologies that manage ISP network traffic or
5 trip-planning software.

6 Fourth, imposing risk-assessment
7 requirements and opt-out rights to the processing of
8 personal information for training ADMT that is
9 "capable" of being used for certain purposes rather
10 than for intended or reasonably foreseeable uses may
11 be overly broad.

12 Many systems could plausibly be used for
13 various purposes for which they're not intended, and
14 it will be difficult to ask an organization to
15 account for every possible downstream use of a system
16 by third parties.

17 Fifth, and finally, my organization has
18 had some difficulty interpreting the extent of the
19 novel opt-out requirement under section 7221-N in the
20 context of using personal data for ADMT training.
21 This provision could be understood as requiring
22 organizations to retrain existing AI models if they
23 were initially trained on any personal information
24 that is later subject to an opt-out request.

25 This would raise major technical and

1 practical challenges, and we urge the Agency to
2 clarify the intent of this section.

3 Thank for your time, and we have submitted
4 written comments that expand upon these points.

5 MR. AVALOS: Thank you for your comment.

6 Anne Nowen, I will unmute you at this
7 time. You'll have three minutes to make your
8 comment. Please begin as soon as you're ready.

9 Looks like Anne lowered her hand.

10 Tasia Kiefer, I will unmute you at this
11 time. You'll have three minutes to make your
12 comment. Please begin as soon as you're ready.

13 MS. KIEFER: Good afternoon. My name is
14 Tasia Kiefer, and I'm here on behalf of the LA County
15 Business Federation, also known as BizFed, which is
16 composed of 245 diverse business organizations
17 representing 420,000 employees -- employers, excuse
18 me -- and 5,000,000 employees across Southern
19 California.

20 Thank you for allowing public comments
21 today, and we appreciate the Agency adding this
22 additional hearing in light of the devastating LA
23 fires that have deeply impacted our community.

24 But in regard to the proposed regulations,
25 as it's been detailed in the CPPA's own standardized

1 regulatory impact assessment, there's a projection of
2 a staggering economic impact, including an estimated
3 3-and-a-half billion-dollar loss of the California
4 economy in the one year alone with average business
5 costs reaching over a \$1,000,000,000, per year in the
6 one decade.

7 Independent analysis indicates that these
8 figures may be underestimated, failing to account for
9 certain factors like external auditor and employee
10 compensation rates, out-of-state businesses selling
11 into California and productivity losses caused by
12 compliance burdens.

13 Please note that the small businesses are
14 the backbone of this state's economy, and they are
15 the ones that will bear the brunt of these
16 regulations. As you've just heard from the previous
17 comments, the proposed ADMT requirements, including
18 intrusive pop-up notifications and restrictive use
19 of AI will stifle online commerce by frustrating
20 customers and creating significant compliance costs.

21 Many small businesses rely on digital
22 tools to reach customers, streamline their
23 operations, and remain competitive. Forcing
24 additional compliance obligations will increase
25 financial strain and a -- meeting additional legal

1 and administrative resources that many small
2 businesses simply cannot afford, particularly amid
3 the rising inflation and economic uncertainty in
4 front of us.

5 While consumer protection is a priority,
6 the Agency's proposed rule-making extends beyond its
7 intended scope to protect data privacy.

8 It is troubling that the Agency has
9 continued advancing these rules despite repeated
10 calls from the business community for a more measured
11 approach.

12 Many Californians are completely unaware
13 of the Agency's roles, including the Agency's own
14 polling which indicates that only 32% of residents
15 are familiar with it. The lack of public awareness,
16 coupled with the absence of meaningful legislative
17 oversight, raises concerns about transparency and
18 accountability in this rule-making process given the
19 potential economic harm, regulatory overreach, and
20 the lack of alignment with legislative priorities.

21 We respectfully urge the Agency to halt
22 this rule-making process until the legislature and
23 relevant policy committees have had an opportunity to
24 review and assess the proposed regulations, financial
25 and operational costs.

1 Proceeding without such review,
2 exacerbates California's affordability crisis in
3 impending (sic) the very innovation that has made
4 our state a global leader in AI and technology
5 development.

6 We appreciate your consideration and urge
7 you to prioritize a collaborative approach with the
8 business community that protects consumers without
9 putting burdens on businesses and the broader economy
10 at large. Thank you.

11 MR. LAIRD: Thank you for your comment.
12 Rob Retzlaff, I'm going to unmute you at this time.
13 You'll have three minutes to make your comment.
14 Please begin as soon as you're ready.

15 MR. RETZLAFF: Good afternoon, number
16 one, I appreciate the opportunity to speak at today's
17 hearing.

18 My name is Rob Retzlaff, and I am the
19 executive director of the Connected Commerce Counsel,
20 also known as 3C. We're a nonprofit organization
21 dedicated to ensuring small businesses have access to
22 the digital tools and online services they need to
23 compete, grow, and thrive in today's economy.

24 Today I'm speaking on behalf of our
25 networks 2000 California small businesses. 3C works

1 to support efforts to protect consumer privacy, but
2 we have very serious concerns about the CPPA's
3 proposed rules for the use of automated
4 decision-making technology.

5 We believe these rules won't strengthen
6 privacy protections and will likely hurt California
7 small businesses.

8 As the California Department of Finances
9 economic and fiscal impact statement as pointed out,
10 these new regulations will impact California
11 businesses competitiveness against out of state
12 competitors.

13 From research we've conducted, 88% of
14 California small businesses sell products through
15 their own websites.

16 They invest heavily in making their
17 websites easy to find and use, but the proposed
18 mandatory data and ADMT related pop-ups would make
19 it hard for consumers to reach California business
20 websites, driving customers to competitors in other
21 states who aren't covered by these regulations.

22 Let me give you a real life example. A
23 Chamoy candy business based in Artesia could lose
24 sales to out-of-state competitors simply because
25 their website is harder to access. That's not fair,

1 and it's not good for California's economy.

2 These new rules would also make it harder
3 and more expensive for California small businesses to
4 advertise to interested customers.

5 Right now, many businesses use
6 data-powered advertising to reach interested
7 customers. However, these regulations first-party
8 advertising into the same category as high-impact
9 automated decision-making. That's a huge shift in
10 California law that will create unnecessary problems
11 for businesses and consumers.

12 Think about a party rental company based
13 in Palo Alto. They leverage data-powered behavioral
14 advertising to connect with interested customers who
15 are planning parties in events. If the mandated
16 pop-ups confuse consumers, and they will -- consumers
17 may hastily click yes or no without fully
18 understanding the pop-ups' messages, without
19 realizing what they're opting in or out of.

20 In doing so, consumers may inadvertently
21 opt out of receiving relevant ads and block data
22 collection that makes such advertising valuable to
23 small businesses.

24 Without those to -- those tools and
25 services, California small specialty businesses will

1 face increased advertising costs, coupled with
2 decreased sales, an unsustainable combination.

3 In addition, the California Department of
4 Finances economic and fiscal impact statement shows
5 that compliance with new rules will saddle small
6 businesses with new expenses, such as ongoing website
7 upgrades that will cost every covered small business
8 20,000 dollars annually for a decade. And that's
9 just for website upgrades.

10 There are numerous other costs that the
11 statement fails to identify or properly assess, such
12 as those of obtaining the requisite technical and
13 legal advice. Together, these costs will be far too
14 great for many small businesses and especially
15 painful compared with the higher cost of advertising
16 and decreased sales. I previously mentioned at the
17 end of --

18 MR. AVALOS: Thank you, Rob. Your time
19 is up. Thank you for your comment.

20 Sarah Gagan, I'm going to unmute you at
21 this time. You'll have three minutes to make your
22 comment. Please begin as soon as you're ready.

23 MS. GAGAN: Hello, my name is Sarah
24 Gagan, and I'm senior counsel at the Electronic
25 Privacy Information Center or EPIC. EPIC is an

1 independent research and advocacy center focused on
2 protecting privacy and the digital age.

3 Today, I'd like to focus on two pieces
4 of the proposed regulations, ADMT's and risk
5 assessments.

6 First, ADMT's. Despite what industry
7 argues, the Agency has clear authority to promulgate
8 rulemaking on ADMT's, as is explicitly provided in
9 the CCPA. The use of ADMT's in significant decisions
10 is a harmful part of the commercial surveillance
11 ecosystem that can reproduce discriminatory outcomes.

12 This is especially harmful when the ADMT
13 impacts consumers access to healthcare, education,
14 employment, financial services, and public benefits.
15 ADMT's touch millions of Americans lives every day.

16 To best effectuate the Agency's stated
17 goals of protecting Californians from these harms, we
18 recommend the following.

19 First, the definition of ADMT should be
20 strengthened by adopting the State administrative
21 manual's definition to ensure that definitions cover
22 the most frequently used context of ADMT's for
23 significant decisions.

24 Second, it is important that the ADMT
25 provisions retain the right of consumers to opt out

1 of profiling for behavioral advertising.

2 Third, the consumer's right to opt out
3 should be extended to use of personal data to train
4 generative AI.

5 Fourth, the human appeal exception to the
6 right to opt out of ADMT use should be removed.

7 Fifth, the access right should be
8 strengthened to ensure Californians have actionable
9 information about ADMT decisions and clarify how the
10 right to correct works in practice.

11 And lastly, the exceptions for security,
12 fraud detection, and safety should be construed
13 narrowly. Without these changes, the privacy
14 protections in the ADMT regulations may be more
15 easily side stepped or denied to consumers.

16 The second point I'd like to address is
17 risk assessments. Risk assessments are crucial for
18 businesses to assess how privacy invasive their
19 practices are and for consumers to understand the
20 risks associated with the processing of their
21 personal information.

22 The proposed regulations are a strong
23 start, but need to include more public access and
24 transparency requirements to best inform consumers
25 about the risks associated with businesses processing

1 their personal information.

2 To this end, we have three requirement
3 suggestions that each pose minimal obligations on
4 businesses.

5 First, the abridged risk assessments
6 should include a plain language explanation of why
7 the negative impacts of the processing, as mitigated
8 by safeguards, do or do not outweigh the benefits of
9 the processing.

10 Second, we recommend that the Agency make
11 the abridged risk assessment information accessible
12 in a machine readable searchable database available
13 on the Agency's website.

14 Finally, we urge the Agency to explicitly
15 affirm that it has the authority to reject the
16 conclusions in the assessments. Centering harms to
17 consumers in regulating ADMT's and providing
18 transparency are key to protecting California's
19 rights in the digital age.

20 Thanks for your time today, and EPIC looks
21 forward to working with the Agency in the future.

22 MR. LAIRD: Thank you for your comment.

23 Anh Nguyen, I will unmute you at this
24 time. You'll have three minutes to make your
25 comment. Please begin as soon as you're ready.

1 MS. NGUYEN: Good afternoon. Anh Nguyen
2 with the Central City Association. We represent more
3 than 300 member organizations that are committed to
4 advancing policies and projects that increase
5 economic opportunities in the southern California
6 region.

7 I want to share our strong opposition to
8 the proposed regulations. These regulations as
9 written are too broad, extend beyond the Agency's
10 privacy mandate, and impose substantial burdens on
11 businesses that are out of proportion to any
12 corresponding gains in consumer privacy.

13 We should revise these rules to focus on
14 the kinds of specific meaningful privacy risks that
15 motivated the voters to create this Agency, rather
16 than creating sweeping requirements that would hamper
17 a huge swath of routine business operations across
18 the State.

19 We ask that you carefully consider the
20 points that were made in our submitted letter, which
21 go into much more detail. All and all, these rules
22 create significant competitive disadvantages for
23 California businesses.

24 Please revise the regulations to focus on
25 meaningful privacy risk while avoiding unnecessary

1 burdens on our business community.

2 Thank you.

3 MR. LAIRD: Thank you for your comment.

4 Tim Newman, I will unmute you at this
5 time. You will have three minutes to make your
6 comment. Please begin as soon as you're ready.

7 MR. NEWMAN: Good afternoon. My name is
8 Tim Newman, and I'm sharing these comments on behalf
9 of Tech Equity. Our organization has previously
10 provided written-in public comments regarding the
11 CCPA's draft regulations, and you can find those all
12 on our website at techequity.us.

13 We previously shared with the Board how
14 critical it is to enact policies that protect our
15 communities as emerging technologies intersect with
16 the most consequential areas of the economy for
17 everyday people where we live and the conditions
18 under which we work.

19 California has a historic opportunity to
20 lead and establishing transparency, disclosure and
21 validation requirements for ADMT's, but it will
22 require recognizing workers, renters and other
23 impacted groups as key stakeholders in understanding
24 and managing our datafied society.

25 The CPPA was designed to ensure that

1 people in California have the tools necessary to
2 advocate for their rights in the 21 century
3 data-driven economy, and the Board must use this
4 rule-making process to inform the intent of the law
5 and balance the industries amends power with privacy
6 and data autonomy for Californians.

7 You are fulfilling your mandate when you
8 recognize this dynamic and pursue rules that clarify
9 our rights over the personal info that businesses
10 collect about us.

11 The arguments we've heard in public
12 hearings from industry representing some of the
13 riches and most powerful corporations in the world
14 are part of a larger effort to block common sense
15 frameworks to protect California's right to privacy
16 as outlined in the CCPA, including how their personal
17 information is collected, monitored, and decisions
18 are made about them.

19 The industry's arguments are not isolated
20 to this body. We see the same tactics played out in
21 the legislator, and we are watching them at their
22 most extreme at the federal level as agencies who are
23 responsible for protecting consumers, labor and
24 antidiscrimination rules are gutted and dismantled.

25 The industry playbook is clear, and we

1 urge the Board to ensure that the cynical and
2 dangerous parts of the strategy do not to take the
3 outcome of this rule-making process.

4 The reality is that, quote, "the proposed
5 regulations" strike a good balance between the desire
6 to strengthen consumer privacy and the recognition of
7 the importance of the information technology sector
8 to the California economy as stated in the CPPA is
9 standardized regulatory impact assessment.

10 We agree, and we look forward to the
11 passage and implementation of these regulations.
12 Thank you to the CPPA Board and to Director and staff
13 for your important work on this topic.

14 MR. AVALOS: Thank you for your comment.

15 Travis Frazier. I'm going to unmute you
16 at this time. You will have three minutes to make
17 your comment. Please begin as soon as you're ready.

18 MR. FRAZIER: Good afternoon. My name is
19 Travis Frazier, and I'm the senior manager of
20 government relations at the Association of National
21 Advertisers, the ANA. We lead the advertising
22 industry by serving, educating and advocating for
23 more than 1600 industry members that collectively
24 invest more than 400 billion in marketing and
25 advertising annually.

1 Thank you for the opportunity to offer
2 our views on the proposed regulations regarding the
3 Agency's effort to implement the CCPA and to issue
4 new regulations governing risk assessments, ADMT, and
5 other issues.

6 We believe this regulatory package would
7 make significant changes to existing privacy mandates
8 and introduce entirely novel areas in ways that
9 likely overstep the Agency's authority to regulate.

10 The proposed regulations regarding ADMT,
11 for example, would create extraordinarily broad
12 foundational definitions for basic technologies in
13 ways that would severely impede the computing that
14 powers the modern economy and bestows significant
15 benefits on consumers.

16 The rules would also construct an entirely
17 new opt-out regime for behavioral advertising and
18 uses of personal information to train ADMT; actions
19 we believe do not follow the statute of the CCPA
20 itself.

21 We believe the proposed opt-out for
22 behavioral advertising would create First Amendment
23 concerns by unreasonably hindering lawful commercial
24 speech.

25 The Supreme Court has long held that

1 advertising is a form of commercial speech that
2 protects businesses in their right to free expression
3 and consumers in their right to receive accurate
4 information through advertising.

5 A consumer right to opt out of all
6 first-party advertising would unreasonably hinder
7 businesses lawful and constitutionally protected
8 commercial speech.

9 In addition, certain proposed regulations
10 would impose unnecessary and aggressive compliance
11 timelines on businesses and would substitute
12 prescriptive requirements in place of texts that
13 presently provide workable flexibility.

14 By the Agency's own estimate, the proposed
15 regulations will cost 3-and-a-half billion dollars
16 for California companies alone to implement in the
17 one year, with annual costs to average a billion
18 across the first 10 years following implementation.

19 These estimates likely severely
20 underestimate the impact the proposed rules will have
21 across the US economy at large.

22 The proposed rules will impact consumers
23 the most through lost access to computing functions
24 and enable efficiencies and modern conveniences.

25 This will result in a significant

1 reduction in innovation in innovative new offerings
2 and other impacts that consumers likely do not desire
3 or expect, given the breadth and scope of these of
4 the proposed updates to existing CCPA regulations and
5 new ADMT rules.

6 The Agency should clarify that civil and
7 administrative enforcement of new regulatory
8 provisions will not commence until one year from the
9 date the provisions are in effect.

10 I would like to point the Agency to our
11 written comments submitted earlier today that lay out
12 these concerns and others in more detail.

13 Thank you, and as always we welcome the
14 opportunity to continue working with the Agency on
15 these regulations.

16 MR. AVALOS: Thank you for your comment.
17 Nisha Patel.

18 I'm going to unmute you at this time.
19 You'll have three minutes to make your comment.
20 Please begin as soon as you're ready.

21 MS. PATEL: Good afternoon, members, and
22 thank you for the opportunity to speak today. My
23 name is Nisha Patel, and I'm here on behalf of the
24 Center for AI and Digital Policy to provide
25 recommendations for the regulation of automated

1 decision-making technology under the California
2 Consumer Privacy Act.

3 Our recommendations focus on the critical
4 need for data minimization and purpose limitation to
5 protect consumer's privacy while ensuring responsible
6 AI development. Our key recommendations are as
7 follows:

8 First, require purpose limitation for
9 ADMT: Data should be collected only for specific,
10 explicit, and legitimate purposes.

11 Personal information collected for one
12 purpose, such as loan decisions, could not be
13 repurposed for another, like employment decisions
14 without explicit consumer consent.

15 Second, implement data minimization
16 standards: Businesses should collect only the
17 minimum amount of data necessary for the intended
18 purpose. Sensitive data, such as health records,
19 should not be used by ADMT unless relevant and
20 legally permissible.

21 You recommend referring to the European
22 Data Protection Board's December 2024 guideline,
23 which requires AI systems to establish legitimate
24 interest and conduct necessity tests to protect
25 individual rights.

1 Third, mandate privacy enhancing
2 techniques, AKA PET's. The CCPA should require
3 businesses to adopt PET's such as data and
4 automatization and encryption to minimize the risk of
5 unauthorized access and data misuse. It should also
6 ensure PET requirements apply to all entities within
7 the ADMT ecosystem, including third-party providers.

8 Lastly, require algorithmic risk
9 assessments. Businesses should conduct regular risk
10 assessments to evaluate whether their data collection
11 practices adhere to the principles of necessity and
12 proportionality.

13 These assessments will help businesses
14 comply with the CCPA provisions like section 7002,
15 which limit data collection to what is necessary and
16 section 7027, which empowers consumers to restrict
17 the use of sensitive personal information.

18 These five recommendations are crucial.
19 The unchecked use of ADMT in high-stakes decisions,
20 such as housing, poses significant risks to consumer
21 privacy and autonomy.

22 By implementing the safeguards the CCPA --
23 the CPPA will not only protect Californians data
24 rights, but also simplify compliance requirements
25 for businesses, since clear standards for data

1 minimization will reduce regulatory complexity.

2 Thank you for your time and consideration.
3 We urge the CPPA to adopt these recommendations to
4 ensure responsible AI development that respects
5 consumer privacy and upholds the principles of the
6 CPPA.

7 MR. LAIRD: Thank you for your comment.

8 Julian Canete, I will unmute you at this
9 time. You'll have three minutes to make your
10 comment. Please begin as soon as you're ready.

11 MR. CANETE: Hello, can you hear me okay?

12 MR. AVALOS: Yes.

13 MR. CANETE: Yeah, so thank you for
14 the -- this time to place our comments on the record.
15 Julian Canete, President and CEO of The California
16 Hispanic Chambers Of Commerce. The Chamber is made
17 up of over a 130 Latino and diverse chambers
18 representing the over 900,000 Hispanic on businesses
19 throughout the state.

20 On behalf of the membership, I'm here to
21 offer our testimony on automated decision-making
22 technology, cybersecurity audits, and risk assessment
23 regulations. The Chamber feels the regulations --
24 CPPA regulations, as proposed are inconsistent with
25 Proposition 24.

1 On November 8, 2024, CPPA board members
2 voted to begin rulemaking on CPPA's proposed
3 regulations that will have consequential irreversible
4 economic impact on many small and diverse businesses
5 in California. Based on the CPPA's own standardized
6 regulatory impact assessment, over 3.5 billion direct
7 implementation costs to our small business owners,
8 resulting in a much larger adverse impact on
9 investment.

10 Ongoing costs of over 1 billion dollars
11 annually over the next 10 years, a potential for
12 98,000 job losses here in California. And there was
13 no readily available data to quantify the number of
14 businesses impacted, but businesses are likely to
15 leave California.

16 All three CPPA regulations are
17 inconsistent with Proposition 24. Because
18 Proposition 24 required regulatory balance under
19 section 3C-1, which states the rights of consumers
20 and the responsibilities of business should be
21 implemented with the goal of strengthening consumer
22 privacy while giving attention to the impact on
23 business and innovation.

24 The significant economic impact of the
25 proposed regulations on businesses in conflict with

1 the regulatory balance sought in Proposition 24 and
2 thus fail to satisfy the consistency standard under
3 government code 11349-D. Consistency means being in
4 harmony with and not in conflict with or
5 contradictory to existing statutes, court decisions,
6 other provisions of law. We, therefore, request the
7 CPPA redraft the regulations in its entirety to
8 address a negative fiscal impact on California
9 businesses.

10 As I previously testified nothing in
11 Proposition 24 authorizes regulation of AI by the
12 CPPA. Including AI and the ADMT is a regulatory
13 overreach by CPPA.

14 As drafted, the ADMT regulations fail to
15 satisfy the authority standard under Government Code
16 Section 1139349-(B). Authority means for provision
17 of law which permits or obligates the Agency to adopt
18 and amend or repeal regulation.

19 We ask CPPA remove all AI from ADMT
20 regulations that does not belong there. And AI is
21 coming back to the legislature here in 2025.

22 Finally, and third, CPPA interprets its
23 regulations. The CPPA regulations do not affect our
24 members because they only affect big companies. This
25 is not true in real life. When businesses impacted

1 by this regulation leave California, it will land on
2 us, not any of you.

3 Can California afford 98,000 job losses
4 or --

5 MR. AVALOS: And thank you for your
6 comment, Julian, you are at time.

7 Lucy Chinkezian. I will unmute you at
8 this time. You'll have three minutes to make your
9 comment. Please begin as soon as you're ready.

10 MS. CHINKEZIAN: Good afternoon. My name
11 is Lucy Chinkezian. I'm counsel at The Civil Justice
12 Association Of California, or CJAC, for short.

13 We have serious concerns with the proposed
14 regulations. We believe they are overly broad,
15 unreasonably burdensome and inconsistent with other
16 state privacy laws. And these issues create
17 compliance challenges that could stifle innovation
18 and impose excessive costs on businesses. We
19 respectfully request the Agency address the following
20 concerns.

21 The proposed cybersecurity audit rules
22 impose unnecessarily frequent and costly compliance
23 requirements. Reporting requirements could expose
24 sensitive business information without clear security
25 protections. Risk assessments are required for too

1 many activities, including low-risk behavioral
2 advertising and model training.

3 The requirement to submit annual risk
4 assessments is inconsistent with other state laws and
5 could lead to reduced consumer privacy protections.

6 The rules treat model training as
7 automated decision-making, which it is not. And
8 could I -- and impose opt-out requirements that
9 contradict industry best practices. Employers face
10 excessive restrictions on ADMT use in hiring,
11 promotions and compensation decisions, which could
12 hinder business operations.

13 The mandatory pre-use notice for ADMT
14 would overwhelm consumers with information and create
15 legal risks for businesses. A broad opt-out right
16 for all ADMT usage presumes harm rather than allowing
17 consumers to opt out of specific high-risk
18 applications.

19 Businesses must submit detailed risk
20 assessments and ADMT reports annually, creating a
21 costly and impractical compliance burden. The
22 employment related disclosure requirements could
23 expose confidential business practices and hinder
24 workforce management.

25 CJAC urges the CPPA to revise the proposed

1 regulations to ensure they are workable, aligned with
2 existing privacy laws and do not unnecessarily burden
3 businesses.

4 The current rules pose serious compliance
5 challenges, restrict innovation and exceed the
6 Agency's authority in many areas. We respectfully
7 request modifications to address these concerns and
8 ensure balance and effective privacy protections.
9 Thank you.

10 MR. AVALOS: Thank you for your comment.

11 Ronak, I will unmute you at this time.
12 You'll have three minutes to make your comment.
13 Please begin as soon as you're ready.

14 MS. DAYLAMI: Thank you. Ronak Daylami,
15 on behalf of Cal Chamber and our over 14,000 members,
16 most of which are smaller businesses.

17 I want to thank the Board and staff again
18 for its decision to postpone the deadline to provide
19 those devastated by fires for a better opportunity to
20 participate.

21 Over the last 18 months, we have testified
22 numerous times on a handful of concerns on repeat,
23 for example, that the regulations are insufficiently
24 risk based and depart from established global privacy
25 frameworks and standards.

1 The regulations go far beyond the Agency's
2 express statutory authority and beyond the scope of
3 privacy regulations and veer into general regulations
4 of ADMT and AI technology when voters, in fact, only
5 granted very specific and narrow authority for rules
6 governing access and opt-out rights with respect to
7 business use of ADMT.

8 And that in some instances, the rights
9 effectively rewrite the law, as is the case with
10 optouts for first-party advertising as opposed to
11 cross context behavioral advertising.

12 And to be clear, the Agency can meet its
13 obligations and promulgating rules without any of
14 these broad requirements. And that's nothing to say
15 of the provisions that overlook practical
16 considerations and outcomes, such as the
17 cybersecurity provisions, which at some point start
18 to require the dedication of more resources to
19 conducting audits than to protecting against threats.

20 All these issues persist and are discussed
21 in greater depth in our comment letter which we
22 submitted yesterday. We also submitted redlines to
23 help mitigate issues where possible in our continued
24 effort to be productive stakeholders, and we hope you
25 consider them and provide businesses adequate time to

1 implement any approved regulations.

2 However, we still ask that you reconsider
3 this draft all together.

4 As you know, we've repeatedly asked that
5 you not get ahead of the legislature and governor on
6 topics like AI particularly given the potential to
7 devastate the economy.

8 And here there's something I think we need
9 to clarify. Asking the Agency to slow down moving
10 into rulemaking and reconsider was not an issue of
11 two years being too fast or not enough time. It was
12 about the draft needing significant redrafting. It
13 was about input not being considered despite repeated
14 efforts to participate and the potential to devastate
15 the economy as a result.

16 If you consider the timeline from the
17 public perspective, the risk assessment and cyber
18 audits were introduced to the public in September
19 2023, ADMT's in December. Amendments were made for
20 the public's viewing one time in March 2024, and no
21 substantive changes were made thereafter.

22 That's eight months before regulations
23 advanced rulemaking. To put that into context,
24 that's an entire legislative calendar right there
25 alone. Each time we showed up and raised concerns,

1 00, action was taken, 00 discussion was held after
2 our comments.

3 Importantly, if you were to listen to
4 every business group you've heard from over the last
5 18 months, you would find that the regulations have
6 failed to strike any semblance of the balance between
7 consumer interest and business interests that voters
8 in fact required under Prop 24.

9 So on behalf of our members, I once again
10 implore you to reconsider because we cannot afford to
11 get this wrong.

12 Thank you.

13 MR. AVALOS: Thank you for your comment.

14 William Martinez, I will unmute you at
15 this time. You'll have three minutes to make your
16 comment. Please begin as soon as you're ready.

17 MR. MARTINEZ: Good afternoon. My name
18 is William Martinez, and I'm here on behalf of the
19 State Privacy and Security Coalition, a multi-sector
20 coalition representing over 30 companies and six
21 trade associations.

22 I'm here today to raise some concerns
23 raised in our written comments regarding the proposed
24 regulations, specifically their excessive cost, the
25 Agency's apparent overreach beyond its statutory

1 authority under the CCPA, and the cybersecurity audit
2 provisions, which exemplify the broader issues across
3 all three articles.

4 As many others have said, these
5 regulations would impose an extraordinary costs on
6 the state of California, specifically 3.5 billion
7 dollars to the State's economy, nearly a 100,000
8 jobs. And these numbers do not account for the costs
9 associated with the compliance burden on out-of-state
10 businesses.

11 As is the case of many of the proposed
12 rules and the other articles, the cybersecurity audit
13 requirements fail to recognize industry standard risk
14 based frameworks already in place to protect consumer
15 data.

16 For example, the proposed audit
17 requirements disregard widely accepted frameworks
18 such as NIST, which businesses are already used to
19 enhance security. Likewise, under section 7123-B,
20 which mandates justification for 44 separate security
21 controls, this rule would require individuals to
22 implement security controls that may not be
23 applicable to the company's operations.

24 Requiring businesses to explain why they
25 are not using a specific technology, such as

1 multi-factor authentication ignores the fact that
2 companies following recognized cyber security
3 frameworks have determined that certain technologies
4 that may be required under Article IX may not be
5 appropriate based on the risk associated with their
6 processing activities.

7 And finally, regardless of the final form
8 of these regulations, businesses that complete these
9 audits should be deemed to have met the reasonable
10 standard of care, thereby precluding a private rite
11 of action under the CCPA's personal data breach
12 provision.

13 The Agency should explicitly allow
14 businesses that comply with the final cybersecurity
15 audit requirements to use them as an affirmative
16 defense against liability. This approach aligns to
17 the CCP as mandate to uphold reasonable security and
18 ensure that resources are directed where they matter
19 most, protecting consumer data.

20 We have outlined additional concerns and
21 are written comments, and I thank you for your time.

22 MR. AVALOS: Thank you for your comment.

23 Matt Regan. I will unmute you at this
24 time. You'll have three minutes to make your
25 comment. Please begin as soon as you're ready.

1 MR. REGAN: Good afternoon. My name is
2 Matt Regan. I'm senior vice president of policy at
3 the Bay Area Council. We are a business employer
4 sponsored advocacy organization with about 350 member
5 companies.

6 I would just like to echo the eloquent
7 comments made previously by the State Chamber, the
8 Latino Chamber, and LA BizFed. You have our letter
9 on file from January 17. I won't go into the details
10 of that, but we're very concerned that this
11 rule-making process is outside the scope of
12 Proposition 24.

13 We're also very concerned that the CPPA
14 just does not have the resources or the skills at its
15 disposal to manage this very, very complicated and
16 important process.

17 At the November meeting, one commissioner
18 ask -- asked for volunteers from the tech community,
19 retirees, to come help and craft these regulations.
20 This is just no way to regulate the next industrial
21 revolution.

22 I'll tell somewhat of a cautionary tale.
23 Back in the early 2000s, California decided to have
24 the highest and most stringent environmental
25 standards in the world, a good thing. We passed

1 AB32, and as a result, we now have the most expensive
2 energy costs in the world. We now have the most
3 expensive regulator arranging for manufacturing, and
4 we have lost tens, if not hundreds of thousands, of
5 jobs in the manufacturing sector.

6 We simply import those products back from
7 out of state, coal-burning states in many instances.

8 What will happen if we create the highest
9 standards and most expansive standards for
10 information is that we will now lose our information
11 jobs to other states where we have no control over
12 how that information will be regulated. We will also
13 lose the jobs and the people who do those jobs to
14 other states.

15 Forty thousand Californians a year leave
16 for Texas because we have forced their jobs out of
17 this state. You can protect people in California;
18 you can't protect them in Texas.

19 So we would urge that you proceed well.
20 We would urge, actually, that you stop this
21 rulemaking process and let the legislature take a
22 lead on this. That it's a -- it's a much more
23 deliberative process that generally results in better
24 outcomes.

25 So we would urge you take a look at what

1 the legislature is doing.

2 Follow their lead and not go outside the
3 scope of the -- of the work that the voters gave you
4 in 2024. Thank you.

5 MR. AVALOS: Thank you for your comment.

6 Laura Curtis, I will unmute you at this
7 time. You will have three minutes to make your
8 comment. Please begin as soon as you're ready.

9 Laura Curtis, please begin as soon as
10 you're ready, or I will move on to the next hand.

11 MS. CURTIS: Oh, can you hear me now?

12 MR. AVALOS: Yeah, you're good. Go
13 ahead.

14 MS. CURTIS: Thank you. Good afternoon.
15 My name is Laura Curtis, and I'm with the American
16 Property Casualty Insurance Association. Thank you
17 for the opportunity to provide these comments. We
18 appreciate the Agency holding this additional hearing
19 given the tragic fires in Los Angeles.

20 APCIA is the primary national trade
21 association for home auto and business insurers, and
22 our members share a strong interest in the privacy
23 and security of their customers personal information.

24 California insurance companies have been
25 operating under a robust privacy and information

1 security regime for years.

2 As the National Association of Insurance
3 commissioners, known as the NAIC continues to develop
4 its new privacy model law, insurance companies look
5 forward to providing even greater privacy protections
6 to Californians.

7 However, with respect to the Agency's
8 proposed insurance regulations, we ask that the
9 Agency refrain from continuing its proceeding on the
10 proposed insurance regulations until the NAIC has
11 completed its work on the new privacy model law and
12 California has adopted the law and then reassess
13 whether regulations are needed.

14 In the over two years since APCIA first
15 commented on the Agency's efforts to address Topic
16 21, developments of the NAIC have outpaced and
17 overtaken the Agency's efforts.

18 Specifically, the NAIC has made
19 significant progress in developing a new model law
20 that will further modernize privacy requirements
21 specific to the insurance industry and recently
22 announced that it should complete its work on
23 revisions by the end of 2025.

24 In light of the current state of the law
25 and anticipated developments, the Agency should at

1 least defer its finalization and proposed regulations
2 as it applies to the insurance industry until NAIC
3 has completed its work on the new model law and any
4 updated model law has been enacted or adopted.

5 If the Agency does move forward with its
6 regulations, it is critical that these regulations
7 inject clarity and certainty for both consumers and
8 industry instead of adding clarity. Unfortunately,
9 however, the proposed insurance regulations risk
10 exacerbating the uncertainty and complexity without
11 any material improvement for consumer privacy or
12 consumer interest generally.

13 APCIA and others in the insurance
14 industry, including the Department of Insurance, have
15 explained APCIA'S members are already subject to
16 insurance specific privacy laws in California.

17 Consumers who share their personal
18 information with insurance companies are today and
19 will remain protected regardless of what the Agency
20 does.

21 Finally, the Agency should avoid imposing
22 on insurance companies duplicative and potentially
23 conflicting requirements concerning automated
24 decision making, cybersecurity audits, and risk
25 assessments, given that insurance companies are

1 already subject to broad requirements on those
2 fronts.

3 We look forward to working with the
4 Agency's board and staff and with the department of
5 insurance to develop an approach that protects
6 consumers and provides clarity to the insurance
7 industry.

8 We also submitted written comments on
9 Friday and appreciate your time. Thank you so much.

10 MR. AVALOS: Thank you for your comment.

11 Anton Van Seventer. I will unmute you at
12 this time. You'll have three minutes to make your
13 comment. Please begin as soon as you're ready.

14 MR. VAN SEVENTER: Hi, can you hear me?

15 MR. AVALOS: Yes.

16 MR. VAN SEVENTER: Thank you. I
17 appreciate the time and the deadline postponement.
18 My name is Anton Van Seventer, and I am counsel for
19 privacy and data policy with the Software and
20 Information Industry Association, whose more than 380
21 members are committed to fostering the free flow of
22 information to enhance both business opportunities
23 and consumer experiences.

24 Our greatest concern with these draft
25 regulations lies in the automated decisionmaking tool

1 section.

2 At the same time, while our focus is on
3 the ADMT, there are substantive issues around scope
4 and legality, and we hope these will not be ignored
5 by the Agency, as will also be reflected in a written
6 feedback that we submitted today.

7 So first, the draft regulations would
8 create a consumer right to opt out of ADMT used for
9 consumer profiling. As written, this means the
10 regulations would place a large burden on businesses
11 to actually entirely redesign their services long
12 used by their own consumers.

13 So, for example, a California resident may
14 purchase home supplies at regular intervals in an
15 online marketplace, and today that marketplace could
16 suggest that the consumer may need to order again
17 even via an SMS text, for example. Yet the current
18 proposed rule would disrupt this ability for
19 businesses to do this basic first-party "advertising"
20 to their own consumers.

21 This is also notably well beyond the scope
22 of the CCPA, where both negotiations with the
23 business community and plain text specifically
24 conceded that businesses could continue to use data
25 from their own customers to improve their products

1 and to advertise to these consumers.

2 So second, the draft ADMT regulations
3 create a consumer right to opt out of ADMT training
4 data. So this is a different optout. And we really
5 think this would really unnecessarily hamstring
6 California startups that are developing their own
7 ADMT applications.

8 But furthermore, larger technology
9 companies, and as we know, many of those also have
10 their home in the state, would find it more
11 difficult, if not impossible to maintain
12 representative training data that doesn't
13 unintentionally discriminate against those groups
14 whose representation in the dataset is skewed by the
15 optouts.

16 This would perversely even be the case if
17 the discriminated data subjects have themselves
18 refrain from opting out, adding to the potential
19 injustice here.

20 Lastly, we believe that the Agency's
21 process for conducting its economic analysis of these
22 regulations does vastly underestimate the cost of
23 California by A, ignoring businesses that will avoid
24 the state and B, ignoring the ongoing compliance
25 costs of businesses within the state.

1 If the Agency wants to effectively
2 regulate privacy and ensure business compliance, as
3 we fully support, we believe it first needs to fully
4 understand the realistic financial burdens of these
5 draft regulations.

6 So due to the overly broad and imprecise
7 elements of the draft, we strongly encourage the
8 Agency to fully incorporate these elements of
9 stakeholder feedback, and we very much appreciate
10 your consideration. Thank you.

11 MR. AVALOS: Thank you for your comment.

12 Sarah Pollo Moo. I will unmute you at
13 this time. You'll have three minutes to make your
14 comment. Please begin as soon as you're ready.

15 MS. POLLO MOO: Great, can you hear me?

16 MR. AVALOS: Yes.

17 MS. POLLO MOO: Thank you for the
18 opportunity to comment on the proposed regulations
19 related to automated decision making technology and
20 for extending the comment period due to the
21 devastating Los Angeles wildfires to ensure adequate
22 public comment and participation in the rule making
23 process.

24 My name is Sara Pollo Moo, and I'm
25 commenting today on behalf of the California

1 Retailers Association.

2 We're concerned these regulations will
3 hinder California's economic growth and innovation
4 and fall short of their intended consumer protection
5 goals. We believe a more balanced approach is
6 necessary to safeguard both consumer privacy and the
7 state's economic vitality.

8 The proposed regulations, particularly
9 those concerning a automated decisionmaking
10 technology, could frustrate consumers and hinder
11 their online experiences, harming small and local
12 business in particular that rely heavily on
13 e-commerce.

14 Simplifying notice requirements to focus
15 on high-risk activities would benefit both consumer
16 privacy and business efficiency. The regulations may
17 inadvertently discourage technologies that could
18 enhance efficiency, productivity, and growth across
19 various sectors.

20 By treating low-risk AI applications
21 similarly to high-stakes decisions, we risk losing
22 valuable opportunities for innovation and economic
23 advancement.

24 These regulations could also have
25 potential negative consequences for businesses

1 dealing with emergency situations, such as the recent
2 wildfires in Los Angeles County.

3 Restricting these innovative technologies
4 could impact access to the supply chain or small
5 business recovery for those trying to rebuild.

6 We ask that CPPA collaborate closely with
7 the legislature and governor's administration to
8 develop a risk-based approach that addresses genuine
9 consumer risks while fostering innovation and
10 ensuring a thorough evaluation of cost benefits and
11 budget impacts so that we ultimately harness AI's
12 benefits for Californians while avoiding a patchwork
13 of conflicting regulations.

14 We also submitted a letter today that
15 provides more specifics on our concerns with the
16 regulations. Thanks so much.

17 MR. AVALOS: Thank you for your comment.

18 Victor Reyes, I will unmute you at this
19 time. You will have three minutes to make your
20 comment. Please begin as soon as you're ready.

21 Victor Reyes, please begin as soon as
22 you're ready.

23 Okay. I'm going to go ahead and --

24 MR. REYES: Hello. Can you hear me?

25 MR. AVALOS: Oh, yep. Go ahead.

1 MR. REYES: Hello.

2 MR. AVALOS: Yes, we can hear you. You
3 can proceed with your comment.

4 MR. REYES: Hello. Hi. Hello. Can you
5 hear me?

6 MR. AVALOS: Yes, we can hear you.

7 MR. REYES: Oh, wonderful. Sorry about
8 that. Hi, my name is Victor Reyes here on behalf of
9 VICA, the Valley Industry and Commerce Association.
10 I want to thank you for the opportunity to provide
11 public comment today.

12 I'm here to express of -- concerns with
13 regards to the proposed rules which could impose up
14 to 3.5 billion dollars in cost on California
15 businesses and deviate significantly from the privacy
16 protections that voters approved in 2020.

17 Back then, voters clearly supported
18 measures aimed at addressing three specific issues,
19 which were limiting the share to personal data,
20 providing consumers a way to correct inaccuracies,
21 and controlling the use of particularly sensitive
22 information.

23 These targeted concerns were meant to
24 safeguard our privacy without hindering everyday
25 business operations. Unfortunately, the proposed

1 rules seem to go far beyond that narrow mandate.

2 Under these new rules, businesses would be
3 required to perform extensive risk assessments and
4 internal audits on systems that have little to do
5 with the actual privacy risk voters were concerned
6 about.

7 This includes scrutinizing systems used
8 for basic functions, like analyzing data and excel
9 spreadsheets, or tracking employee performance that
10 have been used for decades without incident.

11 Moreover, the rules would force companies
12 to disclose internal details about how these systems
13 operate, potentially revealing trade secrets and
14 sensitive operational methods. Such disclosures
15 could not only undermine competitive advantage, but
16 also expose vulnerabilities that bad actors might
17 exploit.

18 Another major concern is that the
19 imposition of burdensome opt-out requirements. While
20 giving consumers control is important, the
21 requirement for companies to develop new systems to
22 handle these opt-out requests for routine business
23 processes, including first-party advertising, creates
24 unnecessary complications.

25 This will result in businesses having to

1 halt certain services if they can't feasibly
2 accommodate these requirements, ultimately harming
3 consumers rather than protecting them.

4 Further, these sweeping regulations could
5 stifle innovation, particularly in critical areas
6 like artificial intelligence and machine learning.
7 When companies are burdened with the need to
8 continually update risk assessments and disclosures,
9 even for minor system changes, that may delay or
10 avoid unnecessary improvements and innovation.

11 This regulatory overreach risks pushing
12 California businesses to innovate elsewhere,
13 ultimately impacting our state's competitive edge.

14 In addition to the proposed framework,
15 appearing -- appears inconsistent with established
16 law such as the CCPA, which was designed with a much
17 narrower focus. The broad application of these new
18 rules could create an uneven regulatory landscape
19 that not only penalize businesses for common
20 practices, but misallocates the CPPA's resources to
21 oversee matters that should fall under other
22 regulatory bodies expertise.

23 I respectfully urge the CPPA to rework
24 these proposed rules that should be scaled back to
25 address only specific privacy concerns that were

1 clearly outlined to voters in 2020.

2 By doing so, we can protect consumer
3 privacy without imposing crippling burdens on the
4 business and stifling innovation.

5 Thank you.

6 MR. AVALOS: Thank you for your comment.
7 I don't see any other callers with their hand up. To
8 make a public comment at this time. Please raise
9 your hand using the raised hand feature or by
10 pressing star 9 if you're joining us by phone. I'll
11 call your name and unmute you when it's your turn to
12 speak.

13 Carman Comsti, I'm going to unmute you at
14 this time. Feel free to speak when you're ready.

15 MS. COMSTI: Good afternoon. I'm Carmen
16 Comsti, lead regulatory policy specialist with the
17 California Nurses Association, or CNA, which is the
18 labor union representing over a 100,000 registered
19 nurses across the state.

20 CNA supports the prompt adoption of these
21 common sense regulations. The Agency has the
22 authority and the duty under the CCPA to adopt a
23 strong regulatory framework to protect both worker
24 and consumers from privacy harm that can result from
25 the collection and use of their data through

1 algorithmic technologies.

2 In healthcare settings, ADMT's have been
3 demonstrably prone to serious inaccuracies and
4 biases, but today without Agency regulatory
5 guardrails, life and death decisions relating to
6 patient treatment, acuity levels, other healthcare
7 decisions, and staffing levels in hospitals are being
8 made by opaque ADMT and other algorithmic
9 decisionmaking systems.

10 The use of insufficiently tested and
11 invalidated algorithmic technologies by healthcare
12 employers threatens the safe clinical care by RN's
13 and endangers patients.

14 The current regulatory vacuum of privacy
15 protections on ADMT's and other algorithmic
16 technology has inappropriately allowed developers and
17 deployers of these tools to violate worker, patient
18 and other consumer privacy rights without recourse.

19 Without robust regulation developers and
20 deployer of data driven technology have masked the
21 prevalence of algorithmic discrimination and other
22 harms to workers and consumers that we know have and
23 can result.

24 Importantly, California is the only
25 jurisdiction in the country where workers have a

1 right to privacy in their workplace. Adoption of
2 these regulations is a critical tool in creating the
3 necessary framework to protect worker data privacy
4 and to protect against harmful use of worker data by
5 employers.

6 Today, even with constant employer
7 surveillance and data collection in healthcare
8 settings, workers are left unaware if their employers
9 are monitoring their personal information or other
10 lawfully protected worker activities. These
11 regulations would importantly establish basic
12 requirements on worker and consumer notice and access
13 to ADMT's and other data driven tools.

14 We are -- we also in -- urge the Agency to
15 add a clear rule and mechanism in the rule for the
16 Agency and importantly workers and consumers to
17 challenge a company's risk assessment or the efficacy
18 of safe safeguards implemented by a company.

19 By allowing companies to set their own
20 standards for risk assessment and risk mitigation
21 without agency authority to review for compliance
22 companies, in practice, may opt themselves out of the
23 proposed regulations requirements altogether by
24 simply asserting that there that the benefits of an
25 ADMT outweigh the risk of -- to consumers and

1 workers.

2 We urge the Agency to broaden and
3 strengthen the proposed rule at further detailed and
4 written comments. The Agency must take these
5 important steps to adopt these regulations to ensure
6 that employers and corporations are subject to robust
7 consumer and worker privacy protection.

8 The Agency both has the authority and
9 the duty to issue these regulations and to do so
10 promptly.

11 Thank you.

12 MR. AVALOS: Thank you for your comment.

13 The public comment period is now open.
14 Please raise your hand using Zoom's raise hand
15 feature or dial star 9 if joining by phone if you'd
16 like to make a comment.

17 Gilbert Lara, I'm going to unmute you at
18 this time. Feel free to speak when you're ready.

19 MR. LARA: Hi. Can you hear me?

20 MR. AVALOS: Yes.

21 MR. LARA: Hi. My name is Gilbert Lara
22 on behalf of Biocom California. Thank you very much
23 for letting me -- letting us provide public comment
24 today.

25 Biocom California, representing more than

1 1800 California life sciences companies, including
2 biotechnology, pharmaceuticals and diagnostic
3 companies of all sizes, in addition to research
4 universities and institutions, clinical research
5 organizations and service providers, our biggest
6 concern is that these overreaching regulations will
7 stifle innovation, divert critical resources from
8 lifesaving -- lifesaving research, and put
9 California's life sciences companies at a competitive
10 disadvantage globally, all without delivering
11 meaningful consumer privacy benefits.

12 Life science companies already conduct
13 rigorous cybersecurity audits under federal
14 regulations, and these audits cover things like
15 encryption and access controls. We urge the Agency
16 to allow existing frameworks to avoid duplication
17 without compromising security.

18 In personalized medicine, ADMT is used to
19 analyze complex data and recommend treatments. ADMT
20 is speeding up the drug discovery process, bringing
21 new medical therapies to market faster for patient
22 treatment.

23 ADMT is also used to identify patients to
24 diversify clinical trials and also to reduce the
25 lengthy paperwork process allowing scientists to

1 focus on the science. We believe the draft
2 regulations need to be revised to be consistent with
3 the existing statutory opt-out rights.

4 ADMT opt-out requirements must be limited
5 to significant decisions made without human
6 involvement that present a significant risk to
7 consumer privacy. By working within the existing
8 statutory frameworks and definitions, the Agency can
9 protect privacy without stifling innovation.

10 Thank you for your time and for
11 considering right.

12 MR. AVALOS: Thank you for your comment.

13 The public comment period is now open.
14 Please raise your hand using Zoom's raise hand
15 feature or dial star 9 if joining by phone to make a
16 comment.

17 Deana Igelsrsud, I'm going to unmute you at
18 this time. Please proceed with your comment when
19 you're ready.

20 MS. IGELSRUD: Hi, Deana Igelsrud,
21 Concept Art Association. Our organization represents
22 a number of artists and creators in film, television,
23 video games, cartooning, and throughout
24 entertainment.

25 One thing that needs to be made abundantly

1 clear is that artists are consumers of software
2 programs, applications and cloud storage that they
3 must use as employees in order to do their job.

4 Additionally, they need to advertise
5 themselves on websites so that they can get work.
6 This is now the industry standard. There is no way
7 they can avoid this.

8 As consumers, artists have to buy and use
9 these products to do their job. These products then
10 steal their data from them while they are working,
11 and they then have to compete against themselves in
12 the marketplace for work.

13 When voters voted to pass Prop 24 to opt
14 out of having their data shared, nobody in the
15 general public at least could have anticipated that
16 there would someday be an entity that existed, like
17 an AI model or dataset where once your data has
18 become part of a system, that there would be no
19 conceivable way to have your data removed except for
20 an AI developer to retrain the model.

21 As it stands now, the only practical way
22 for a person to legitimately achieve opting out from
23 having their data taken is through a robust and
24 informative pre-use, opt-out notification system,
25 which these proposed regulations recommend.

1 This past spring during your stakeholders
2 listening tour, a number of artists testified to the
3 direct effects these AI systems are having on their
4 livelihoods as consumers of these products. These
5 artists are some of the first but certainly not the
6 only Californians who are and who will be affected by
7 these AI systems.

8 It's important to note that in 2022 before
9 the film and television strikes, the Hollywood film
10 industry brought in 3.63 trillion dollars to the
11 California economy, the datasets of the existing
12 models are only able to exist because they are
13 powered off the backs of the hardworking labor of
14 creatives. They are, in fact, the backbone of these
15 systems and their ability to function.

16 While we recognize the untapped potential
17 of generative AI for fields, such as science and
18 medical, they're vastly different considerations that
19 need to be made for the creative industries.

20 Last year a research study that we
21 commissioned with CVL Economics and others estimated
22 that 62,000 entertainment jobs in California spanning
23 film, television, music, and gaming will be disrupted
24 by the implementation of generative AI within the
25 next three years, with further estimates that 204,000

1 entertainment jobs across the United States will be
2 affected during this same time frame, and this isn't
3 even accounting for the ripple effects this will have
4 in extended economies.

5 Last summer artists submitted letters to
6 you telling you if their need to have transparency
7 and control over the use of their data and that AI
8 training data and the methods for acquiring AI
9 training data be addressed via these important ADMT
10 regulations you were proposing at CPPA.

11 You listened, and we appreciate it.

12 We thank you for these listening sessions,
13 and we support the proposed direction these
14 regulations are taking.

15 Thank you very much.

16 MR. AVALOS: Thank you for your comment.

17 Public comment is open at this time.

18 Please raise your hand using Zoom's raise hand
19 feature, or dial star 9 if joining by phone to make a
20 comment.

21 MR. LAIRD: Thank you to everybody who's
22 submitted a comment so far. We appreciate you taking
23 the time to speak with us today. Staff here are
24 going to take a 15-minute break.

25 The time is 3:30 p.m., and we will return

1 at 3:45 p.m. Thank you very much.

2 (Whereupon, a short recess was taken.)

3 MR. AVALOS: We are now open for public
4 comment. To make a public comment at this time,
5 please raise your hand using the raised hand feature
6 or by pressing star 9. If you're joining us by
7 phone, I'll call your name and unmute you when it's
8 your turn to speak.

9 UNIDENTIFIED SPEAKER: Hello. Hello.

10 I'm not sure if you can hear me. I might
11 be having some technical difficulties.

12 MR. AVALOS: Public comment is now open.
13 Please raise your hand using Zoom's raise hand
14 feature or dial star 9 if join joining by phone to
15 make a comment.

16 Carla Ortiz, I'm going to unmute you at
17 this time. Please make your comment when you're
18 ready.

19 MS. ORTIZ: Hello. Can you all hear me?

20 MR. AVALOS: Yes, we can hear you. All
21 right.

22 MS. ORTIZ: Great. Hi. I'm an artist
23 residing in San Francisco and have been in an
24 industry that has seen massive labor impacts from
25 gen-AI technology. I know it. I live it. My

1 community lives it, and we see it every day.

2 But what most people don't understand is
3 that at very root of how gen-AI is trained. Gen-AI
4 is only able to work at such capacity is because of
5 the work companies have taken from us, artist,
6 without our consent, credit or compensation, or in
7 laymen's terms, theft of our work.

8 Tech companies are desperate to ensure
9 their theft of our work is legitimized or
10 normalized, which is why we're -- they're fighting
11 tooth and nail in every state and every country to
12 ensure that the only solution ever offered is opting
13 out after they've trained on our works.

14 That does a few things. One, it ensures
15 tech companies keep our data as machine-learning
16 models just cannot unlearn once they've trained.

17 Two, it shifts the burden onto all of us
18 and makes it so that they do not have to bother with
19 pursuing our consent to use our lives' works.

20 And three, it shifts my time from painting
21 to protecting my rights full time, not to mention all
22 the other issues that it poses.

23 Do I have to opt out of every single
24 company? Do I have to opt out every single time they
25 update? What if I don't know the language or

1 technology? Do companies comply? Can they even
2 comply knowing that models cannot unlearn works? The
3 only option here is to immediately enact a pre-use
4 optout.

5 The artist communities, communities that
6 give California approximately 3.6 trillion dollars in
7 2022, we desperately need government to right the
8 wrongs.

9 That way creatives and our livelihoods can
10 peacefully coexist with new AI technologies and we
11 don't get left behind.

12 Thank you so much.

13 MR. AVALOS: Thank you for your comment.

14 The public comment period is now open.
15 Please raise your hand using Zoom's raise hand
16 feature or dial star 9 if joining by phone to make a
17 comment.

18 Cheryl Brownlee, I'm going to unmute you
19 at this time. Make your comment when you're ready.

20 Cheryl, you have permission to speak. It
21 looks like your mic is still muted.

22 MS. KIEFER: Okay. Is it unmuted now?

23 MR. AVALOS: Yes, we can hear you.

24 MS. BROWNLEE: Oh, okay. Sorry. I was
25 just talking away. Can you -- good afternoon, CPPA

1 board members. I'm Cheryl Brownlee representing the
2 African American Chamber of Commerce and several
3 local Chambers on behalf of our membership.

4 I had a couple of key points that I would
5 like to highlight for CPPA.

6 Respectfully, ADMT, cybersecurity, and risk
7 assessments proposed regulations should not move
8 forward. Except for board member Mactaggart, each of
9 you voted to move these regulations forward knowing
10 fully the significant economic impact they will have
11 on California based on your own economic analysis.

12 I'm not a lawyer, but Proposition 24 is
13 clear about the regulatory balance that CPPA needs to
14 follow here. Proposition 24, section 3C-1 which
15 reads as follows, "the rights of consumers and the
16 responsibilities of businesses should be implemented
17 to strengthen consumer privacy while giving attention
18 to the impact on business in innovation."

19 Because the CPPA regulation does not
20 follow the regulatory balance in Proposition 24, the
21 regulations are inconsistent with Government Code
22 Section 11349(d), "Consistency means being in harmony
23 with and not in conflict with or contradictory to
24 existing statutes, court decisions, or other
25 provisions of the law."

1 We're asking that you must redraft the
2 regulations in its entirety to address the negative
3 fiscal impact on California businesses.

4 The definition of ADMT is overly broad,
5 and it's very complicated for anyone to understand
6 who needs to comply with them.

7 We agree with board member Mactaggart's
8 previous comments that he made in July of 2024, where
9 he indicated that the ADMT language in the proposed
10 regulation is so broad that it would apply to the use
11 of any software used in business, and that it could
12 also substantially wipe out ads on the internet.

13 CPPA needs to rewrite the entire
14 definition so that businesses will easily understand
15 it for compliance purposes.

16 We respect -- respectfully request that
17 CPPA work with Governor Newsom and the legislature on
18 AI and stop working in isolation on this issue.

19 No body of law authorizes CPPA to include
20 AI and the ADMT. So the inclusion of AI and the ADMT
21 regulation falls -- fails to satisfy the authority
22 standard under government code section 11349(b).

23 Let me close with the -- this. These
24 regulations you are pushing have real life and
25 economic impacts on many Californians. If you

1 overregulate California, these companies take their
2 jobs to Arizona, Texas, and other states.

3 Is that truly a victory for Californians?
4 There's still time to get this right. A reasonable
5 approach is to redraft all three regulations to
6 address our concerns.

7 Thank you.

8 MR. AVALOS: Thank you for your comment.

9 Public comment period is now open. Please
10 raise your hand using Zoom's raise hand feature or
11 dial star 9 if joining by phone to make a comment.

12 Craig, I'm going to unmute you at this
13 time. Feel free to provide your comment when you're
14 ready.

15 MR. ERICKSON: Hello. My name is Craig
16 Erickson. I'm a California consumer, and today I'd
17 like to thank the CPPA and staff for its hard work
18 enacting what was voted in by California voters, the
19 CPRA, which created the CPPA and the mandate for
20 mandatory risk assessments and cyber security.

21 I know that a lot of the people that have
22 commented represent businesses. They represent their
23 employers and, you know, they're doing the right --
24 they're doing a good job to, you know, representing
25 those positions.

1 But some of their suggestions about going
2 to the legislature and overreach and things like that
3 are really not appropriate, because this is the job
4 of the Agency, which the Agency has no choice but to
5 enact. And if they wanted a different result, they
6 would be best advised to go out and create their own
7 voter initiative and get that passed. So I just want
8 to thank the Agency for its diligent work, and that's
9 it. Thank you very much.

10 MR. AVALOS: Thank you for your comment.

11 The public comment period is now open.
12 Please raise your hand using Zoom's raise hand
13 feature or dial star 9 if joining by phone if you'd
14 like to make a comment.

15 Tim Friedlander. I'm going to unmute you
16 at this time. Please provide your comment when
17 you're ready.

18 MR. FRIEDLANDER: Great. Thank you so
19 much. You can hear me okay?

20 MR. AVALOS: Yes, we can hear you.

21 MR. FRIEDLANDER: Great. Thank you. My
22 name is Tim Friedlander. I am the president and
23 cofounder of the National Association of Voice
24 Actors, which is a association of professional voice
25 actors based in the United States, as well as

1 cofounder and copresident of the United Voice Artist,
2 which is a 19 nation coalition of voice acting
3 associations. We represent all of the voices that
4 you hear every day in trust, the voices that you hear
5 on the TV, on the radio, when you call into your
6 pharmacy.

7 We operate the large voice acting industry
8 in a largely nonunion world. Eighty percent of the
9 work that we do is nonunion, meaning that we are
10 going to be protected mostly by, and depend on, state
11 regulation for our protections and federal
12 regulation. We do have a great union SAG-AFTRA which
13 has done great work for the entertainment industry
14 and for voice actors.

15 However, with 80% of the industry not
16 being covered under those contracts, we are
17 definitely at high risk.

18 All of the voice actors are small
19 businesses. We pay taxes; we hire employees. And
20 every time our voice is replaced, it's more than just
21 one person that's affected. It is actually a
22 business and multiple businesses down the line that
23 are -- that are affected by that.

24 The AI voices that we -- that we are
25 replaced with are not paying taxes. And every time

1 that my voice is used without consent, it dilutes the
2 value of my product, which is the voice that I'm
3 using right now.

4 We are currently working with 15 voice
5 actors who have had their voices synthesized and used
6 to replace them in some capacity over the last year
7 and a half.

8 But our concern is not just for voice
9 actors, is for anybody who does have recorded audio
10 that can be recorded, taken, synthesized, and stolen.

11 If on this call, for example, you could
12 take my voice and record this, I could record your
13 voice with as little as three seconds to create a
14 believable synthetic clone of your voice.

15 As a voice actor, none of us want to be
16 the voice or the recognizable voice of misinformation
17 or disinformation. As well as anybody who has
18 recorded audio on a voicemail, on Youtube, on
19 Facebook, on Instagram can have those voices taken,
20 cloned and used against them.

21 We have seen multiple areas in which this
22 has happened over the last year to two years with
23 scams happening of somebody finding their hearing
24 that their daughter was abducted, that their grandson
25 or their granddaughter was in jail and was trying to

1 scam them to get money using a synthetic version of
2 their voice or a scammer using somebody's voice to
3 scam a relative.

4 Our stance over the last three years has
5 been around the three cs which is consent control and
6 compensation.

7 Our first being control that we should
8 have the right to control what happens with our voice
9 with our biometric data that is recognizable as an
10 identifying feature. We're looking for optout prior
11 to ingestion of our voice, that we have the ability
12 to remove our voice before it's used to train a model
13 or to become a clone and to be used either against us
14 or to replace us in some capacity.

15 In the state of California, AB2602 has
16 been a great start. It went into effect in January
17 of this year, and it gives us the ability to be
18 informed any time that a digital double or clone is
19 being used of our voice.

20 It doesn't apply to any training or give
21 us the ability to say "no" to having that clone made.
22 Once our voice is in that system, it cannot be
23 removed until that system is either destroyed or
24 retained -- or retrained. So we are looking for the
25 ability to opt out prior to having our voices used in

1 any capacity. And hopefully, these statements --
2 this statement has helped provide some information
3 about that.

4 Thank you so much.

5 MR. AVALOS: Thank you for your comment.

6 The public com -- comment period is now
7 open. Please raise your hand using Zoom's raise hand
8 feature or dial star 9 if you're joining by phone if
9 you'd like to make a comment.

10 MS. WHITE: We're continuing public
11 comment.

12 Gary Garfield (sic), I have unmuted you.
13 Your three minutes begins as soon as you're ready.

14 MS. GILFRY: Hi. My name is Carin
15 Gilfry. I am the vice president of the National
16 Association of Voice Actors, a voice actor and a
17 Southern California resident.

18 And I'd like to start by asking a question
19 which is: Do you own the rights to your own voice?

20 It seems like a simple question with a
21 simple answer. Yes, it's my voice. Of course, I own
22 my voice. Of course, no one should be able to use my
23 voice without my permission.

24 My voice is part of what makes me who I
25 am. And yet artificial intelligence technology is

1 unregulated when it comes to synthetic voice
2 creation, deep fakes, and consumer protection.

3 The human voice is so unique that it is
4 used as identifying biometric data which can give you
5 access to your American Airlines Advantage account or
6 to your bank. You can determine thousands of things
7 about a stranger just by hearing their voice, their
8 approximate age, gender, the region they might be
9 from what kind of room they're standing in, and how
10 far the -- away they are from the microphone that
11 they're speaking into.

12 And yet your voice is not federally
13 protected in the United States. And there is no
14 federal law that says you own the rights to your
15 voice. You do not own the rights to your own voice.

16 I'm a voice actor, as I said, and I make a
17 living from licensing my unique voice. The main
18 kinds of work I do are commercials, phone systems,
19 video games, audio books, and e-training.

20 And for all those kinds of work, I'm not
21 doing a cartoony character voice. Most of the time
22 I'm asked to be myself, as natural and conversational
23 as possible.

24 But today any kid with a subscription to
25 11 Labs has the unregulated ability to create a

1 synthetic version of any person's voice in minutes.
2 They can use it for anything and everything they
3 want, including pornography or hate speech or to call
4 their grandma and demand money.

5 And this is happening now.

6 There are hundreds of thousands of hours
7 of my specific voice out there in the world
8 unprotected and available to be used for training of
9 AI and synthetic voice models. But here's the thing,
10 I have never given consent for any of my work to go
11 beyond the job description.

12 I give permission for the clients I work
13 with to use my specific sound file for the purpose of
14 their job, but I don't give them permission to take
15 my voice print, my biometric data and use it for
16 whatever they want.

17 In my industry, actors' voices are being
18 stolen, turned into AI voice models and used without
19 our explicit consent. And every use of that voice
20 beyond that person's control is a violation because
21 they didn't give permission.

22 My voice, my choice.

23 So what do actors want in all
24 Californians: Consent, control, and compensation.
25 Get our permission, give us some control over what

1 our voices are saying, and pay us for it. We want
2 pre-use, opt out for all art. But especially when it
3 comes to biometric data like voice print, we want
4 security measures in place at the point of AI
5 generation, something like a voice cap show which
6 randomly generates a sentence which a user must speak
7 into a microphone immediately to verify that they are
8 the ones creating a synthetic version of themselves.

9 What we really need are laws, laws that
10 protect our likeness and image, laws that give the
11 right of publicity to all people across the nation
12 and around the world.

13 California can and has set the precedent
14 for the rest of the country and the rest of the
15 world. We need AI and deep fake regulation now
16 because if someone wants to use my voice, it should
17 be my choice.

18 Thank you.

19 MS. WHITE: Thank you. Thank you for
20 your comment.

21 Just a reminder, we are taking public
22 comment until 6:00 p.m. this evening. If you have a
23 comment, please use the Zoom raise hand feature and
24 we will unmute you so you can speak.

25 MR. LAIRD: Thank you, everybody. It is

1 now 6:00 p.m., and we appreciate all the comments we
2 have received this afternoon and during the entire
3 public comment session that we've had both today and
4 over the past several months, and we look forward to
5 reviewing the comments. And thank you for your time.
6 We'll be closing today's session now.

7 (Whereupon, proceedings were
8 adjourned at 6:00 p.m.)

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