



January 27, 2025

The Honorable Jackie Glass
Chairwoman
Communications Subcommittee
201 North 9th Street
Richmond, Virginia 23219

Re: House Bill 2094

Dear Chairwoman Glass:

The U.S. Chamber of Commerce (“Chamber”) urges the Subcommittee not to pass House Bill 2094 (“HB 2094”) as currently drafted. We believe Delegate Maldonado’s goal of ensuring high-risk uses of Artificial Intelligence (“AI”) are ethical and responsible is laudable. However, further time is needed for the Committee to review how the legislation’s liability and impact assessment potential conflicts with current Virginia State law.

The Chamber is further concerned that passing such legislation could expand on a growing patchwork of State AI laws. Such a patchwork would adversely impact business existing uses of AI tools and stifle innovations that will benefit consumers and the businesses serving them. As discussed below, the Chamber believes that guardrails are necessary when gaps exist in existing laws and regulations are warranted to fill such gaps, through a targeted and risk-based approach. To our knowledge, HB 2094 has not taken a comprehensive risk analysis to determine where Virginia state laws already apply and where gaps exist. Accordingly, a more thorough review of the implications of proposed AI regulations on Virginia businesses and consumers should be undertaken to develop appropriate legislative responses. We are prepared to work with your office and the Virginia legislature in such an effort.

Existing laws and regulations already cover many AI activities. In the March 2023 report of the Chamber’s Commission on Artificial Intelligence Competitiveness, Inclusion, and Innovation (“Chamber Report”), we outlined possible approaches to regulation.¹ The Chamber Report outlined a risk-based gap-filling approach that should be the basis for new policies around AI that address the issues involved and provide for future innovations. Where gaps exist, policymakers should seek to ensure that new policies are tailored to the risk and don’t unnecessarily hamper innovation.

¹U.S. Chamber Technology Engagement Center, “Commission on Artificial Intelligence Competitiveness, Inclusion and Innovation,”(March 2023) available at <https://www.uschamber.com/technology/artificial-intelligence-commission-report>

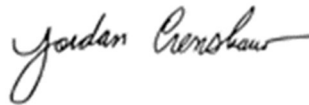
The failure to follow such an approach will forestall the ability of consumers and the broader American economy to reap the benefits of AI.

HB 2094 could have an outsized negative impact on small businesses. Existing AI-enabled tools have been used by businesses for many decades. New and innovative AI tools will be foundational to America's economic growth and PWC estimates that AI will contribute \$15.7 trillion to the global economy by 2030.² AI will be especially beneficial for small businesses. A recent Chamber report found that "98% of small businesses are using tools that are in some way AI-enabled" and that³ "Nearly three-quarters of small businesses actively using AI say limiting access to AI will harm their ability to grow."

At the same time, many small businesses are concerned about increased litigation and compliance costs stemming from navigating a patchwork of state AI and tech laws.⁴ A significant number of small companies are already forgoing AI adoption because of "concerns about legal or compliance issues."⁵ Preventing small business use of AI tools will harm their ability to grow and compete against larger counterparts. HB 2094 could fundamentally impact the tools small businesses rely upon. Additionally, the bill fails to provide adequate relief for small businesses acting in good faith from liability.

Given the significant complexities associated with AI and the impact of regulations on small business we believe a thorough review of how the legislation works with the current Virginia statute is necessary before passage. We look forward to working with you and the legislature on this critical issue.

Sincerely,



Jordan Crenshaw
Senior Vice President
Chamber Technology Engagement Center
U.S. Chamber of Commerce

CC: Members of Subcommittee Communications Subcommittee

² PricewaterhouseCoopers, "Global Artificial Intelligence Study: Exploring the AI Revolution" available at <https://www.pwc.com/gx/en/issues/data-and-analytics/publications/artificial-intelligence-study.html>

³ U.S. Chamber of Commerce. "The Impact of Technology on U.S. Small Business." U.S. Chamber of Commerce, 14 Sept. 2023, www.uschamber.com/assets/documents/Report-The-Impact-of-Tech-on-US-Small-Business.pdf.

⁴ *Id.*

⁵ *Id.*