



March 28, 2024

The Honorable Brian Dodd
1020 N Street, Room 584
Sacramento, CA 95814

Re: Senate Bill 892 (Padilla): California Procurement of AI Technology

Dear Senator Padilla,

On behalf of Consumer Reports, I am writing in support of SB 892, which would require the Department of Technology to establish safety, privacy, and nondiscrimination standards relating to artificial intelligence services and prohibit the state of California from entering into any contract for AI services unless the provider of the services meets the standards established. We appreciate the ongoing conversation your office has had with stakeholders who will be most affected by the government use of AI technology. We are pleased to support your bill in the Governmental Organization Committee to illustrate our shared belief that SB 892's rights-centered approach in considering this issue is the best path for California to take.

Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR advocates for laws and company practices that put consumers first. CR surveys millions of Americans every year, reports extensively on the challenges and opportunities for today's consumers, and represents 6 million members across the U.S.

AI technology, deployed responsibly, has the potential to revolutionize the delivery of government services to Californians. However, AI technology and services can also pose a significant risk to the safety, privacy, and civil rights of Californians. Those using AI systems have a responsibility to recognize these tools can be prone to bias based on the data they ingest, and can be susceptible to manipulation or subject to unauthorized access. This is especially troublesome for government, where the role of AI can have life altering consequences and pose grave security risks.

SB 892 rightly recognizes the potential risks of AI technology alongside its potential for fostering innovation. It sets the foundation for a framework that reflects principles that are necessary to create an environment that the public can trust, including requirements to:

- **Assess** the risks associated with procuring high risk AI systems and ADS, particularly in areas that have a high impact on individual rights, including but not limited to health, education, employment, insurance, utilities, critical infrastructure, public services, and justice/legal.
- **Require** the development and adoption of risk management standard that includes risk assessment, appropriate risk controls, and adverse incident monitoring when procuring such systems

- **Require** engagement and consultation with a diversity of stakeholders, including those most affected by government use of these systems, such as public trust and safety experts, community-based organizations, civil society groups, workers, academic researchers.
- **Ensure** people have access to robust notices and opportunities to appeal or opt out of high risk AI system outcomes or ADS decisions.

California must ensure that innovation does not come at the expense of Californians. Given the state's purchasing power through our procurement of technology and services, California has the opportunity to set a national standard that drives the innovation of AI technology and services by requiring that any technology and services contracted by the state adhere to standards that protect Californians. While the Governor's Executive Order to Prepare California for the Progress of Artificial Intelligence took some early steps to set guidelines for public sector procurement, California must take further steps to safeguard the critical services we provide.

We appreciate the work Sen. Padilla and his staff have already done to set a starting framework requiring government agencies to consider the effects of their decisions to acquire AI tools carefully. We welcome the opportunity to support the bill to continue these conversations. For these reasons, we support SB 892 (Padilla) and respectfully encourage your "aye" vote when it is heard in your committee.

Best regards,

Grace Gedye
Policy Analyst
Consumer Reports