
CALIFORNIA PRIVACY PROTECTION AGENCY

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September 17, 2025

The Honorable Jim Jordan, Chair
The Honorable Jamie Raskin, Ranking Member
The Honorable Darrell Issa, Subcommittee Chair
The Honorable Henry C. Johnson, Subcommittee Ranking Member
2138 Rayburn House Building
Washington, DC 20515

Re: Hearing of the Subcommittee on the Courts, Intellectual Property, Artificial Intelligence and the Internet — “AI at a Crossroads: A Nationwide Strategy or Californication?”

Dear Chair Jordan, Ranking Member Raskin, Subcommittee Chair Issa, and Subcommittee Ranking Member Johnson,

The California Privacy Protection Agency (CPPA or Privacy Agency)¹ thanks the House Judiciary Committee (Committee) and its Subcommittee on the Courts, Intellectual Property, Artificial Intelligence, and the Internet for holding a hearing to examine federal and state level regulation of artificial intelligence.² As the Committee embarks upon this important work and considers various options, we urge the Committee to reject any legislative proposals that would constrain states’ authority to regulate AI, whether through a straightforward preemption of state law, or by conditioning federal funds on compliance with federal policy. States play a crucial ongoing role in addressing emerging privacy challenges posed by new technologies like artificial intelligence, and we encourage the Committee to consider federal AI legislation that truly protects Americans’ privacy by setting a floor, not a ceiling on those rights.

California has played a leading role in developing strong privacy and technology protections. For example, California passed the first data breach notification law in 2002 and today all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands have similar laws in place.³ In 2018 it became the first state in the nation to adopt a comprehensive consumer privacy law, the California Consumer Privacy Act (CCPA),⁴ and since then nearly 20 states across the country have enacted their own comprehensive privacy laws.⁵ Then, in 2020, with nearly nine and a half million votes, California voters further affirmed their desire for robust privacy

¹ Established by California voters in 2020, the California Privacy Protection Agency was created to protect Californians’ consumer privacy. The Privacy Agency implements and enforces the California Consumer Privacy Act. It is governed by a five-member board that consists of experts in privacy, technology, and consumer rights.

² US House Judiciary Subcommittee on the Courts, Intellectual Property, Artificial Intelligence, and the Internet hearing, “AI at a Crossroads: A Nationwide Strategy of Californication?”, September 18, 2025, <https://judiciary.house.gov/committee-activity/hearings/ai-crossroads-nationwide-strategy-or-californication>.

³ National Council of State Legislators, *Summary of Security Breach Notification Laws* (last updated January 17, 2022), <https://www.ncsl.org/technology-and-communication/security-breach-notification-laws>.

⁴ Cal. Civ. Code § 1798.100 et seq.

⁵ Colorado, Connecticut, Delaware, Indiana, Iowa, Kentucky, Maryland, Minnesota, Montana, Nebraska, Oregon, New Hampshire, New Jersey, Rhode Island, Tennessee, Texas, Utah, and Virginia. See, IAPP, US State Comprehensive Privacy Laws Report: 2024 Legislative Session (October 2024), https://iapp.org/media/pdf/resource_center/us_state_privacy_laws_report_2024_session.pdf.

protections by passing Proposition 24, which amended the CCPA and established the Privacy Agency to implement and enforce the law.

Artificial intelligence systems pose immediate and tangible privacy risks that states have proven they are well equipped to handle. States have consistently led on privacy and technology because they have the proximity and agility to identify emerging threats and implement innovative solutions. State privacy authorities are often the first to receive consumer complaints and identify problematic practices. States also possess the nimbleness to respond quickly to privacy threats. Preemption of state privacy laws would silence vital state-level experimentation precisely when we need diverse regulatory approaches to understand and address AI's complex privacy challenges.

In fact, existing state privacy laws already address substantial privacy harms posed by AI. For example, through the 2020 ballot initiative, California voters amended the CCPA to require the Privacy Agency to develop regulations governing consumers' access and opt-out rights related to business use of automated decisionmaking technology.⁶ Similarly, more than a dozen state privacy laws grant individuals the right to opt out of the automated processing of personal information in furtherance of decisions that produce legally significant effects.⁷ These are crucial rights that provide consumers with transparency about how their information is used and offer them greater control over how their personal information is processed. Federal preemption would threaten these important protections, leaving gaps in consumer safeguards and overruling the will of California voters.

Additionally, the often-cited concerns about a patchwork of state laws are overstated, as the state privacy laws are remarkably consistent with one another and are working as intended — protecting consumer privacy while allowing businesses to thrive and innovate. Indeed, the coexistence of these state privacy regimes demonstrates that regional protections do not impede business operations or technological advancement. California, for example, is the fourth largest economy in the world and is home to many of the largest artificial intelligence companies while also providing consumers with cutting-edge privacy rights and protections.⁸

Restricting state action is also not consistent with established federal privacy law frameworks. Many existing federal privacy laws recognize the importance of state-level innovation in privacy protection and explicitly preserve states' abilities to adopt stronger protections for their residents. For example, there are at least ten federal privacy statutes that do not preempt states from enacting additional protections, including the Health Insurance Portability and Accountability Act (HIPAA), the Fair Credit Reporting Act (FCRA), Title I of the Electronic Communications Privacy Act (ECPA), the Video Privacy Protection Act, and the Driver's Privacy Protection Act, among others.⁹ California's increased protections in these areas have not prevented it from becoming one of the largest economies in the world.¹⁰

⁶ Cal. Civ. Code § 1798.185(a)(15).

⁷ Colorado, Connecticut, Delaware, Indiana, Kentucky, Maryland, Minnesota, Montana, Nebraska, Oregon, New Hampshire, New Jersey, Rhode Island, Tennessee, Texas, Utah, and Virginia. *See*, Colo. Rev. Stat § 6-1-1306(1)(a)(I)(c).

⁸ Office of Governor Gavin Newsom, *California is Now the Fourth Largest Economy in the World*, April 23, 2025, <https://www.gov.ca.gov/2025/04/23/california-is-now-the-4th-largest-economy-in-the-world/>; Office of Governor Gavin Newsom, *ICYMI: California is home to 32 of the top 50 AI companies*, March 12, 2025, <https://www.gov.ca.gov/2025/03/12/icymi-california-is-home-to-32-of-the-top-50-ai-companies/>

⁹ 45 C.F.R. Part 160, Subpart B; 15 U.S.C. § 1681, et seq.; 18 U.S.C § 2501-2523; 18 U.S.C. § 2710 et seq.; 18 U.S.C. § 2712. *See also*, Employee Polygraph Protection Act, 29 U.S.C § 2009 et seq.; Telephone Consumer Protection Act, 47 U.S.C. § 227; Family Educational Rights and Privacy Act, 20 U.S.C. § 1232(g); Right to Financial Privacy Act, 12 U.S.C. § 3401 et seq.

¹⁰ Office of Governor Gavin Newsom, *California is Now the Fourth Largest Economy in the World* (April 23, 2025), <https://www.gov.ca.gov/2025/04/23/california-is-now-the-4th-largest-economy-in-the-world/>

Unfortunately, preemption would strip away existing state protections that residents currently enjoy under state laws related to the privacy risks associated with the automated processing of personal information. That would be a significant step backward in privacy protection at a time when Americans are increasingly concerned about their privacy and data security, and when challenges from new technology are developing quickly.

States have been the laboratories of our democracy, innovating to protect consumers as new harms emerge. When we restrict responsible state level safeguards in the face of rapid technological change, we make ourselves — and future generations — less safe from privacy harms. The rapidly evolving nature of artificial intelligence demands the flexibility and responsiveness that only multi-level governance can provide. For these reasons, we urge the Committee to reject legislation that preempts state privacy laws and uphold its longstanding approach to federal privacy and technology legislation: establish a baseline for protections while preserving states' authority to adopt stronger laws.

Respectfully,

A handwritten signature in red ink that reads "Tom Kemp". The signature is fluid and cursive, with the first name "Tom" and last name "Kemp" clearly legible.

Tom Kemp
Executive Director
California Privacy Protection Agency

cc: Members, House Committee on the Judiciary