



February 06, 2025

The Honorable Carolyn Bosn
Chairwoman
Judiciary Committee
1445 K St, Room 1525
Lincoln, NE 68508

Re: Legislative Bill 642

Dear Chairwoman Bosn:

The U.S. Chamber of Commerce (“Chamber”) urges the Committee not to pass Legislative Bill 642 (“LB 642”) as currently drafted. We believe Senator Bostar’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 Nebraska State law.

We are concerned that passing LB 642 could expand on a growing patchwork of State AI laws that would adversely affect existing uses of AI tools by businesses and stifle innovations that will benefit consumers and the businesses serving them. As discussed below, the Chamber believes guardrails are necessary when there are gaps in existing laws, and regulations are warranted to fill such gaps through a targeted and risk-based approach. To our knowledge, no comprehensive risk analysis of LB 642 has been completed to determine where Nebraska state laws already apply and where gaps exist. Accordingly, a more thorough review of the implications of proposed AI regulations on Nebraska businesses and consumers should be undertaken to develop appropriate legislative responses. We are prepared to work with your office and the Nebraska 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. The failure to follow such an approach will forestall the ability of consumers and the broader American economy to reap the benefits of AI.

LB 642 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

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>

\$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. LB 642 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 LB 642 works with the current Nebraska statute is necessary before passage. We look forward to working with you and the legislature on this critical issue.

Sincerely,

A handwritten signature in black ink that reads "Michael Richards". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael Richards
Senior Director
Chamber Technology Engagement Center
U.S. Chamber of Commerce

CC: Members of Judiciary Committee

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.*