



April 9, 2026

TO: Members, Assembly Privacy and Consumer Protection Committee

**SUBJECT: AB 1609 (ZBUR) CUSTOMER SERVICE CHATBOTS
OPPOSE – AS AMENDED MARCH 19, 2026
SCHEDULED FOR HEARING – APRIL 16, 2026**

The California Chamber of Commerce and the undersigned respectfully **OPPOSE AB 1609 (Zbur)** as amended March 19, 2026, because it would create vastly infeasible and onerous requirements for human customer service support and communications by phone by operators of large businesses using customer service chatbots, AI, or automated customer service systems. While some of the problems we have identified may be a result of drafting issues, the end result is the same nonetheless, with massive costs placed on businesses of a certain size that will invariably impact the quality of customer service, but also the cost of services if compliance is to be sustainable in any way. In particular, we note that the bill appears to introduce an unprecedented and completely new requirement that online platforms offer telephonic customer service, regardless of whether such services are free or paid and applying to any type of customer service issue that a consumer may wish to contact the platform about. While we appreciate that **AB 1609** does not apply to smaller businesses and explicitly states that no private right of action applies, there are a host of problems with the bill in print, including issues relating artificial time limits causing agents to be rushed, causing unforced errors, undue stress, and compromising data security.

As a general matter, **AB 1609** fails to account for the operational realities of customer service, the need for careful handling of sensitive or complex situations, and the human factors that influence service quality or wait times. Implementing these mandates could harm both businesses and consumers by increasing costs, stressing employees, and compromising service, as further explained below. Among the biggest problems: the bill is not meaningfully limited in scope, other than applying to large operators using customer service chatbots for issues relating to goods or services – i.e., it is not even limited to *paid* services. Regardless of whether a customer is physically in California, resides in California but is temporarily going to school in New York, they seemingly are included in the right to promptly receive human customer service between 8 am and 6 pm [potentially California time; potentially their local time] upon request—and it seems that customer service must also be available by phone, with at no time being made to hold for five minutes, or holding for more than 10 minute cumulatively.

Unfortunately, as drafted, **AB 1609** seems to operate under an assumption that human customer service via telephone is paramount and preferable. Realistically, due to security concerns, trying to handle account issues via phone is not always faster or more effective for users than online options. Verifying a caller's identification and their connection to an online account can require upload of documents, follow up communications, etc. Telephone customer service calls are frequently recorded which results in a great deal of highly sensitive personal information being stored in such recordings. That is, in fact, why a lot of companies have put a lot of resources into developing effective digital processes for resolving user issues in a safer and often quicker way.

One size does not fit all

As a general matter, **AB 1609** fails to recognize that businesses in different industries face unique operational challenges and regulatory constraints in meeting customer service needs. Some companies handle highly sensitive data subject to strict federal and/or state regulations; others may deal with emotionally challenging situations where immediate phone contact may not be appropriate and in fact could

cause serious concern if not trauma for workers, requiring careful triage by things like technology and trained employees.

Rigid timing mandates risk service quality and even data security

AB 1609 also fails to consider how the quality of customer service is likely to slip under the pressure created for agents to keep up with the artificial time pressures of getting to the next caller in queue because no customer can be placed on hold for more than 5 minutes; or how customers may start to get less than satisfactory answers more often for complex problems because agents cannot afford to have them on hold for more than 10 minutes cumulatively; or how errors are likely to increase because processes are being rushed, risking the security of data, if not worse.

Ultimately, these 5- and 10-minute timeclocks in the bill are all nonstarters for businesses both for their sheer infeasibility from a compliance standpoint and for these types of undesired outcomes. But such requirements are also unnecessary. Businesses do not want dissatisfied customers. That is why many have started to employ features like call back services to keep customers from getting frustrated with long wait times. But even with features like those, there needs to be flexibility in when those callbacks happen, just as there needs to be flexibility in the bill for the types of mechanisms by which businesses offer customer service to their customers, let alone the mechanisms by which they offer *human* customer service.

Complex cases require more time- there is simply no way around it without bad results

Consider, for example, when a caller claims to be the executor or trustee of a deceased account holder and seeks to transfer assets such as a 401(k) or pension. Companies must follow detailed verification procedures to confirm the death of the individual, identity, legal authority, and supporting documentation. These processes are necessarily time-intensive and rushing them to comply with rigid timing requirements creates significant risks of fraud, unauthorized access, and irreparable financial harm. Often times, family members are the executor or trustee and the information given in those first phone calls may be incomplete or miscommunicated, or any number of things can happen under stress and trauma of a delicate situation. This can add to hold times as workers try to figure out what is going on with care and sensitivity. Pressuring employees to meet strict timing standards in such cases increases the risk of fraud, unauthorized access, and financial harm.

Human factor in call centers

There is also the reality of the human factor in call centers. For example, new or newer call center employee learning the ropes may require more time (longer interactions) and supervisor assistance – often translating into longer hold times for the customer.

Similarly, language barriers or complex inquiries (or even confusing ones, such as where the caller is not necessarily even clear how to frame their inquiry), can take longer to handle and extend call duration, impacting the queue hold time. Rigid time requirements could inadvertently push employees to prioritize speed over care, reducing empathy and service quality – an outcome none of us want.

We also note following issues:

- Customer service chatbot definition: this definition inexplicably includes smart speakers, which are purposefully excluded under other laws such as the recent companion chatbot bill signed by the Governor, SB 243 (Padilla, Ch. 677, Stats. 2025).¹ It is unclear why smart speakers would be included

¹ Compare Proposed Section 22625(d): “Customer service chatbot means either of the following...(2) A stand-alone consumer electronic device that functions as a speaker and voice command interface, acts as a voice-activated virtual assistant, and sustains a relationship across multiple interactions or generate outputs to service customers relating to the sale or delivery of goods and services” to Section 22601(b)(2): “Companion chatbot does not include ... (C) “[a] stand-alone consumer electronic device that functions as a speaker and voice command interface, acts as a voice-activated virtual assistant, and sustains a relationship across multiple interactions or generate outputs to service customers relating to the sale or delivery of goods and services”.

here, where users do not often engage with a smart speaker chatbot for customer service-related issues for goods or services.

- Extraordinary or emergency situations definition and correlating exemption are too narrow: While we appreciate the intent of this exemption, the current definition of “extraordinary or emergency situations” is realistically too narrow to meaningfully protect companies from significant, unexpected events beyond their reasonable control that will make compliance impossible through no fault of their own. As drafted, the term appears to include things such as widespread IT outages or telecom outages, which we appreciate. Unfortunately, however, the umbrella statement at the start of the definition, “conditions posing an imminent threat to public safety...” appears to constrain the scope of the enumerated examples, such as widespread IT or telecom outages, to those that rise to public safety risk. At best, this language introduces ambiguity, and may exclude serious operational disruptions that do not threaten public safety but nonetheless interfere with a company’s ability to comply with **AB 1609**.

In practice, companies often face unexpected, externally driven events, -- such as systemic third-party service failures, sudden and extreme demand spikes, or broader economic shocks that are outside their control and cannot reasonably be anticipated and planned for. They can equally have an impact on customer service capacity and compliance capabilities. Absent a broader exemption, such as for events beyond a business’s reasonable control, the exemption may fail to account for real world conditions that make compliance infeasible despite good faith efforts.

- Disclosure requirements for “bots” not humans. Several bills in recent years have sought to tackle the issue of chatbots deceiving consumers into believing that they are humans. This issue was first tackled in 2018 via SB 1001 (Hertzberg, Ch, 892, Stats. 2018), which made it “unlawful for any person to use a bot to communicate or interact with another person in California online, with the intent to mislead the other person about its artificial identity for the purpose of knowingly deceiving the person about the content of the communication in order to incentivize a purchase or sale of goods or services in a commercial transaction or to influence a vote in an election.” That bill provided operators with a safe harbor if they disclosed to a people that they were communicating with a bot. The disclosure has to be clear, conspicuous, and reasonably designed to inform persons with whom the bot communicates or interacts that it is a bot. (See Bus. & Prof. Code Sec. 17941.)

In contrast, in **AB 1609**, Proposed Section 22626(b) requires that an operator that makes a customer service chatbot available to a person in this state provide a clear and conspicuous disclosure that the customer service chatbot is artificially generated and not human if a reasonable person interacting with the customer service chatbot would be misled to believe that the person is interacting with a human. Additionally, under subdivision (c), the disclosure must meet four different requirements. It must:

- Inform the person that they are interacting with a customer service chatbot, artificial intelligence system, or similar automated system, and that the system is not a human being.
- For audio-only or voice-based interfaces, be provided in an audible form and repeated upon the person’s request.
- Be readily accessible throughout the customer interaction.
- Be presented in plain language that is understandable to an ordinary consumer.

It is unclear what “readily accessible throughout the customer interaction” means—not only for human customer service provided on the phone, but via other possible mechanisms, be it through a secure online portal, email, chat feature in an app or on a website, or any number of other ways to connect to a human for customer service. For calls, it is even less clear how “readily accessible” would differ from being “repeated upon a person’s request”—one of the other requirements. Once a clear and conspicuous disclosure has been provided, it is unclear how requiring repeated audible disclosures for voice-based interactions meaningfully advances the bill’s consumer-protection goals. It is also unclear how the requirement to inform the person that they are interacting with a customer service chatbot...and that the system is not a human being is qualitatively different from the requirement that it “be presented in plain language that is understandable to an ordinary consumer”. Is that statement itself not plain

enough? Given the precedent for such disclosures in a comparable situation, a simple cross reference to that existing statute arguably should accomplish the same goals sought here.

- 8 am to 6 pm daily: As drafted, **AB 1609** is vague as to whether this is Pacific Standard Time; whether it is based on the location of the consumer at any given moment as long as they have a California billing address/residency—regardless of if they are in California, Montana, or Switzerland; or whether the business is based on the location of the business (potentially on the east coast). It's unclear. Combined with the requirements below, this could force companies to hire several hundreds of call center workers (if not more) each to work anywhere between 10 hours (if located on the west coast) to 16 hours a day (if on the east coast), if not around the clock to accommodate Californians traveling the world, to have appropriate coverage. Compare this to a simple requirement to make customer service available for any 10- hour period during the business's regular business hours.
- Telephonic vs online customer service platforms vs operators who provide goods and services through online platforms: The bill provides different rules depending on whether an operator is a telephonic or online customer service platform but fails to define either term. The former has requirements under Proposed Section 22627(b) and the latter under (c). Then under subdivision (d) there is yet another term introduced, "operator who provides goods and services through online platforms." Whether these are meant to be part of the same category as (c) is unclear, but based on initial conversations we are hopeful these are drafting issues that can be addressed. What concerns us more is that all of these operators "shall offer a telephonic customer service platform" regardless, suggesting that the outcome of **AB 1609** is for all operators selling goods or services to persons in California must offer human customer service via telephone, and must do so with the rigid timeframes specified, for all customer service needs, even for things that can be readily resolved by automated means today. **This is simply not possible**. Any requirement that every business now offer a toll-free line would require each business to have dozens of call centers staffed by hundreds, if not thousands of individuals. If anything, businesses need the opposite of what the bill current states – they need express assurance that the bill is not to be construed to require telephonic customer service.
- Statutory fines: Again, we appreciate the clarity that there is no private right of action under this bill. And while the bill is limited to a \$10,000 fine per violation where there is a "pattern or practice", and that is a recognized legal term, its application under **AB 1609** is unclear and creates significant compliance risk. **AB 1609** does not define how many violations constitute a pattern or how many technical violations will constitute a pattern or practice subject to a \$10,000 fine per violation. Will putting 5 customers on hold for 5 minutes and 1 second to 5 minutes and 15 seconds be sufficient? Without clear definitions or safe harbor provisions, the enforcement provisions could lead to inconsistent application, excessive penalties, and unnecessary legal exposure for businesses. These fines should also be reduced, especially for first violations.
- Additional considerations if legislating in this area.
 - Sometimes employees are also customers and our members offer them employee dedicated lines. By that same token, they have "customer" lines for business-to-business communications or government entities or nonprofits that are our customers. Lines that are exclusively business lines for those purposes should not be subject to regulation.
 - As a general matter, it is imperative to provide businesses some sort of protection for and/or clarity that they can continue to offer to address, and seek to address, customer concerns using automated systems/chatbots prior to connecting the consumer to a natural person for customer service via a human, if human assistance is appropriate. It is especially important to preserve the ability to automated systems, including AI-powered support assistants, to handle many complaints like those related to tech / account issues, but also to direct customers to the appropriate individual or individuals for assistance.

Finally, even if technical fixes to issues raised in this letter are made, this bill is going to impose dramatic new costs to a broad range of California businesses. Given existing budget concerns, the Legislature should carefully consider the impact to the state's tax revenues. In addition, given the magnitude of cost for covered businesses, the Legislature should carefully consider the extent to which businesses will fail because the

newly imposed costs exceed their profit margins, the lay-offs of personnel that they may have to conduct in order to be able to afford to hire call center personnel, and likelihood that businesses will have to pass on costs associated with this bill to consumers already struggling with the high cost of living in the state.

For these reasons we must **OPPOSE AB 1609 (Zbur)**.

Sincerely,



Ronak Daylami

Vice President for Advocacy | Privacy, Cybersecurity & Emerging Technologies
on behalf of

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California Association of Collectors, Inc., Cliff Berg
California Chamber of Commerce, Ronak Daylami
California Travel Association, Emellia Zamani
Civil Justice Association of California, Annalee Augustine
Computer and Communications Industry Association, Aodhan Downey
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