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Industry Association**

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SIIA

July 1, 2026

Massachusetts Joint Committee on Bonding, Capital Expenditures and State Assets
24 Beacon Street
Room 39
Boston, MA 02133

Re: H 5527, Section 106 – “Transparency in Frontier Artificial Intelligence Act” (Oppose)

Dear Chairs Cronin and Finn, Vice Chairs Mark and Rogers, and Members of the Joint Committee on Bonding, Capital Expenditures and State Assets:

We write to respectfully oppose H 5527, Section 106, the “Transparency in Frontier Artificial Intelligence Act.” Proposed regulations on the interstate provision of digital services have the potential to have a significant impact on our members. We support thoughtful and workable approaches to artificial intelligence governance that promote trust, accountability, and innovation. However, the audit requirements contemplated in H 5527 raise significant practical and implementation concerns that should be addressed before moving forward.

H 5527 requires that, beginning on January 1, 2027 or 90 days after a developer first qualifies as a large frontier developer, a large frontier developer must annually retain an independent third party to perform an audit of compliance with the requirements in this bill. Audits would be required to follow generally accepted auditing standards and best practices, and auditors are required to possess “demonstrated competence to perform the audit, including experience employing or contracting with individuals who possess technical expertise in the safety of frontier models.”

However, no credible or standardized ecosystem currently exists to conduct the type of independent audits envisioned under the legislation. At present, there are no broadly recognized certification standards, licensing structures, or established oversight mechanisms for entities seeking to perform AI compliance audits. As drafted, the bill would effectively require companies to comply with a process for which the State has not yet established the necessary infrastructure, standards, or qualified evaluators.

Without a clearly defined and trusted framework, these audit requirements risk becoming process for process’s sake rather than producing meaningful consumer protection or accountability outcomes. In practice, this could create inconsistent evaluations, uncertainty for

regulated entities, and significant compliance burdens without corresponding public benefit, particularly for the small businesses and startups who can afford such burdens the least.

We believe Massachusetts should instead take a more deliberate and evidence-based approach similar to the model recently adopted in Virginia¹ and Connecticut². That approach appropriately recognizes that states must first assess whether a viable system for independent AI verification even exists before imposing mandatory audit obligations.

Specifically, Virginia's enacted language directs the Department of Innovation and Technology to evaluate the feasibility and impact of developing a framework for independent verification organizations that would assess AI systems against standards designed to prevent personal injury and property damage. The study further examines:

- the nature and magnitude of AI-related risks;
- whether measurable and objective metrics currently exist;
- existing technical and operational standards;
- methodologies used to evaluate mitigation measures;
- approaches employed by other states; and
- the fiscal and administrative impact of overseeing such a system.

Importantly, the Virginia legislation also directs the Department to assess the feasibility of establishing a licensing scheme for independent verification organizations and whether a state agency could appropriately oversee such a system.

We believe this type of measured approach is a far more responsible path forward. Before Massachusetts mandates audits, the State should first determine:

1. whether qualified and credible auditors exist;
2. what standards those auditors would apply;
3. how consistency and accountability would be ensured; and
4. whether a state licensing or certification structure is necessary.

Absent those foundational elements, the proposed audit requirements are premature and could unintentionally hinder innovation while failing to achieve their intended policy objectives. At a minimum, Massachusetts should first study the feasibility of establishing standards, oversight mechanisms, and qualified independent verification entities before imposing mandatory audit obligations.

¹ <https://lis.virginia.gov/bill-details/20261/SB384/text/CHAP0426>

² <https://www.cga.ct.gov/2026/ACT/PA/PDF/2026PA-00015-R00SB-00005-PA.PDF?m5t7dwzwr>

Thank you for your consideration. We appreciate the opportunity to share our concerns and stand ready to work with your office and the General Assembly on workable and effective AI policy solutions.

Sincerely,

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Abigail Wilson
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