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**SIIA**

**July 7, 2026**

The Honorable Aaron Michlewitz  
Massachusetts House of Representatives  
House Committee on Ways and Means  
24 Beacon Street  
Room 243  
Boston, MA 02133

## **Re: House Bill 5562, Amendment 166 – “AI Transparency” (Oppose)**

Dear Chairman Michlewitz:

We write to respectfully oppose Amendment 166 to House Bill 5562, *An Act relative to Economic Development in Commonwealth*. 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 Amendment 166 raise significant practical and implementation concerns that should be addressed before moving forward.

Amendment 166 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 amendment. 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 amendment 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

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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 Virginia<sup>1</sup> and Connecticut<sup>2</sup>. 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.

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

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

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

Sincerely,

Kyle J. Sepe  
State Policy Manager, Northeast Region  
Computer & Communications Industry Association

Abigail Wilson  
Director of State Policy  
Software and Information Industry Association (SIIA)