

The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

April 18, 2025

To: Representative Nancy Nathanson and Senator Aaron Woods, Co-Chairs

Joint Legislative Committee On Information Management and Technology

Re: <u>HB3936</u> – Bans AI on state assets if owned or developed by a foreign corporate entity – **Oppose**

The League of Women Voters of Oregon opposes HB 3936, to prohibit state agencies from using artificial intelligence developed or owned by foreign corporate entities. While the laudable HB 3936 intent is to protect state information systems, we believe the approach to ban AI owned or developed by a foreign corporate entity is short-sighted, based on our Privacy and Cybersecurity positions. The ubiquitous information and communication technologies (ICT) of today's pervasive digital services, platforms, and marketplaces require a global governance perspective to address societal and economic impacts:

- Harmonize laws and regulations across jurisdictions to protect individuals and assure trustworthy flow of information across all boundaries—government, organizations, industry sectors, states, and countries.
- Aim to develop flexible regulatory structures that can quickly adapt to social and scientific realities and technical and economic policy challenges.
- All information (including third-party data transfers) needs sufficiently flexible protection to address emerging technologies and scientific evidence while serving the common good by balancing the demands of stakeholders and vested interests.

Risks of Blanket Bans

Banning all foreign-developed AI, regardless of actual risk profile, could deprive the state and public of access to innovative and beneficial technologies. This fails to recognize that many foreign-developed AI systems meet or exceed rigorous security and ethical standards, while some domestically developed systems may fall short.

Many groundbreaking AI tools and research come from outside the United States. Exclusion could limit our ability to adopt the best solutions for public services, healthcare, education, and more. Additionally, this approach could invite retaliatory measures from other countries, potentially harming Oregon's tech companies that rely on international markets.

Judge by Standards - Banning AI by Violation, Not by Origin

Rather than banning AI systems based on country of origin, Oregon should prohibit using any AI—regardless of origin—that fails to meet strict standards. The HB 3936 safety and privacy concerns can be addressed by implementing a robust governance framework that holds all AI systems to the highest standards – regardless of country of origin. The Center for Scientific Evidence in Public Issues published "Key Questions for Government Leaders to Ask When Considering the Use of AI Systems," targeting:

- Data privacy
- Transparency and accountability
- Reliability and effectiveness
- Fairness and equity

This targeted, risk-based approach would:

- Directly address data security and misuse concerns, including for specific foreign vendors.
- Encourage all AI developers, domestic and foreign, to meet Oregon's high ethical and security standards to do business with the state.
- Preserve the ability to leverage the best available technologies to benefit all Oregonians.

Security concerns are real and must be addressed, for example by the proposed AI Advisory Council. Oregon could provide the solution, leading by example, setting rigorous standards for AI use and enforcing them without prejudice. This protects our interests while fostering innovation, competition, and public benefit. Instead of a country-of-origin ban, which could exclude entire categories of technology based on origin, we urge the committee to consider legislation that:

- Establishes clear standards for AI systems used by state agencies, focusing on privacy protection, transparency, security, and ethical use.
- Creates a rigorous vetting process that evaluates all AI systems against these standards, regardless of country of origin.
- Implements ongoing monitoring and auditing requirements to ensure continued compliance.

This standards-based approach would better protect Oregon's information assets while ensuring we don't unnecessarily restrict access to valuable technologies. It would set Oregon as a leader in thoughtful, responsible AI governance rather than contributing to technological isolationism.

We respectfully request that the committee reject HB 3936 and instead work toward a policy that upholds the highest standards for all AI while embracing beneficial innovation from around the world.

Thank you for your consideration.

Lisa Bentson President LWVOR Lindsey Washburn
Artificial Intelligence/Cybersecurity

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The following resources are recommended for consideration:

- National Institute of Standards and Technology's AI Risk Management Framework
- GovAI Coalition's Vendor AI FactSheet
- Ford Foundation's <u>A Guiding Framework for Vetting Technology Vendors Operating in the</u> Public Secto