June 17, 2025

The Honorable Nathan Manning
Ohio State Senate
Room 039, Senate Building, 1 Capitol Square
Columbus, OH 43215

Re: TechNet Comments on SB 163, a bill related to AI

Dear Chairman Manning and members of the Ohio Senate Committee on Judiciary,

On behalf of TechNet and our 103 member companies, I respectfully submit these comments to you regarding our concerns with SB 163 (Blessing), as drafted.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes 103 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

TechNet understands the intent behind this legislation and shares concerns about the ways AI generated material can be misused. We appreciate the Committee's efforts to address the challenges posed by deceptive media and believe that it is crucial to establish clear standards and protections in this evolving landscape – especially given the absence of federal law.

As you continue to debate this legislation, we respectfully request that the Committee consider several changes that, if addressed, would significantly improve the bill's workability and effectiveness while ensuring it does not inadvertently stifle legitimate online activity or place undue burdens on services that are vital to Ohio's digital economy. Our recommendations are based on the practical realities of how online services operate and interact with various types of content and will better solve the risks posed by deepfakes without jeopardizing free expression and first amendment protections. The aforementioned redline amendments have been sent and received by Senator Blessing, and will also be submitted to members of the Committee.

Protecting Against AI Generated Child Sexual Abuse Material – A Goal We Support

TechNet members are active in developing protections against the creation, storage, and distribution of child sexual abuse materials (CSAM) already, and members collaborate with one another to better fight CSAM. TechNet members are actively combatting the proliferation of CSAM, and many companies maintain dedicated teams to handle CSAM reporting, including the ability to respond around the clock to emergencies involving imminent harm. When our members identify CSAM perpetrators, they report them to the National Center for Missing and Exploited Children (NCMEC), as required by federal law. We want to ensure that companies can continue to aid NCMEC with the information they need to successfully investigate and prosecute cases involving CSAM.

That is why we believe this bill should consider companies' work to prevent the creation and proliferation of CSAM content on their services. We kindly request language that clarifies that those actions, which are consistent with the broader objectives of the bill, would not erroneously lead to liability. We also recommend language making clear that liability should be squarely on the bad actor: the person creating, viewing, promoting, or distributing CSAM.

Protecting an Individual's Likeness – A Goal We Support

We support the intent behind the provisions protecting individuals from unauthorized exploitation of their likeness. Ensuring robust rights for artists and individuals is essential for fostering creative expression and innovation in media and technology. However, we respectfully request that this legislation is amended and clearly assigns liability to bad actors, not intermediaries or technology creators operating responsibly that cannot see the content traversing over their networks and platforms. New protections should integrate smoothly and consistently with existing federal intermediary liability frameworks and avoid conflicting rules that could confuse or hinder innovation or create duplicative, patchwork systems.

Concept of Provenance Data

While this is an area that would benefit from Federal standards and regulation rather than a state-by-state approach, we urge the Committee to adopt our amendments that support content provenance for AI-generated images. Provenance data offers a practical solution to ensuring transparency in digital media without stifling innovation, but any provenance rules should reflect the practical reality that standards are rapidly evolving and still being defined.

Content provenance allows platforms and consumers to understand where a piece of content came from, how it was generated, and whether it has been manipulated—key information in today's online ecosystem. Standardized, industrywide specifications are still emerging, and it is important Ohio maintains a flexible approach that can align with best practice. Unlike rigid watermarking mandates that can degrade user experience or be easily removed, provenance

metadata is secure and compatible with evolving industry standards. Requiring provenance metadata is also the method used by other states, and this approach would allow Ohio to remain consistent with other state frameworks. We believe our amendments strike the right balance—enhancing trust and authenticity in digital content while enabling the continued growth of the state's tech economy.

Reject Private Cause of Actions; Ensure Intermediary Liability

Private rights of action in tech legislation can lead to a flood of opportunistic lawsuits that burden courts, create legal uncertainty, and stifle innovation. Instead of encouraging compliance, they can incentivize frivolous claims by plaintiffs' attorneys seeking quick settlements, even in cases of minor or unintentional violations. For startups and small businesses, the risk of costly litigation can deter investment and hinder product development, as legal exposure becomes a constant threat. Effective enforcement should rest with expert regulatory agencies and the state Attorney General that can ensure compliance while balancing the need for innovation, rather than outsourcing oversight to private litigants with uneven incentives.

Furthermore, codifying intermediary liability is essential to provide clear legal standards for online platforms, ensuring they understand their responsibilities when hosting user-generated content. It helps balance accountability with protections that foster innovation, free expression, and a functional digital ecosystem.

As you will notice throughout our redlines, our language seeks to place sole enforcement with the Attorney General and place intermediary liability protections throughout the bill.

Conclusion

Senate Bill 163 has commendable goals—protecting children, preventing fraud, and promoting transparency in AI-generated media. Addressing these issues is critical to ensuring this legislation is both effective and implementable. We believe our amendments will strengthen the bill, offering meaningful protections for individuals while avoiding unintended consequences for online services and free expression. For these reasons, we cannot support the bill at this time and must oppose. However, TechNet is committed to working with the bill's sponsors and the Committee to refine this legislation and stands ready to provide further technical assistance or clarification.

Sincerely,

Tyler Diers
Executive Director, Midwest
TechNet

CC: Members, Ohio Senate Judiciary Committee
        Senator Louis W. Blessing, III