



September 12, 2024

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

**SUBJECT: SB 1047 (WIENER) SAFE AND SECURE INNOVATION FOR FRONTIER  
ARTIFICIAL INTELLIGENCE MODELS ACT  
REQUEST FOR VETO**

Dear Governor Newsom:

On behalf of the National Venture Capital Association (NVCA), representing hundreds of venture capital (VC) firms and portfolio companies in California and across the nation, I respectfully urge you to veto SB 1047.

**Unique Role of Venture Capital**

VCs create partnerships with institutional investors to combine the capital of pension funds, endowments, foundations, and others with their talent and expertise to make high-risk, long-term equity investments in innovative young companies—the startup ecosystem. These companies create jobs and spur innovation despite the risks inherent in funding companies expected to operate in revenue-loss positions for years. Venture funds are generally partnerships that last ten to fifteen years, building investments far longer than any other asset class.

VCs do not simply pick winners; they actively work to develop startups into successful companies. VCs work alongside entrepreneurs, often taking board seats, providing strategic advice and counsel, opening their contact networks, and generally doing whatever they can to help their portfolio companies succeed.

**Impact on Venture of Inappropriate Regulation of AI**

Venture plays an essential role in raising and deploying the capital needed to drive leading-edge innovation in AI, ensuring the U.S. leads the world in this critical emerging technology. We support the safe and responsible innovation and regulation of AI. But regulatory inconsistency and uncertainty, high compliance costs, and significant liability risks will harm the entire AI ecosystem, pushing leading-edge innovation outside of California and our nation. Instead of making Californians safer, the bill would only hamstring businesses from developing the very AI technologies that could protect against dangerous models developed elsewhere.

NVCA pledges to work with elected officials and stakeholders to ensure a consistent regulatory landscape nationally, and the need to follow federal guidance on certain issues that transcend national borders. Failing to address this issue thoughtfully in California will drive investment to other tech hubs both inside and outside the U.S., with far reaching implications for state revenues.

We respectfully ask you to Veto SB 1047.

Sincerely,

A handwritten signature in black ink that reads "Bobby Franklin". The signature is written in a cursive, flowing style.

Bobby Franklin  
President and CEO