



February 5, 2025

The Honorable Jay Obernolte
U.S. House of Representatives
2433 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Obernolte:

As the nation's oldest small business advocacy organization, representing our membership of more than 65,000 and the 70+ million owners and employees that make up the U.S. small business sector, we are writing to outline our recommendations to the Bipartisan House Task Force on Artificial Intelligence (Task Force) in crafting legislation addressing this emerging technology.

As businesses increasingly adopt AI, small-business owners have demonstrated concerns that pertain to compliance, even in the absence of a federal legislative framework for AI regulation. Many small-business owners have expressed concern that technology regulations could harm their businesses and reported that their businesses would face challenges complying with existing proposed AI regulations at the state level.¹

Moreover, in its December 2024 report, the Task Force found that small businesses may not only lack sufficient access to capital and AI resources, but also that they may lack a full understanding of how to best adopt AI systems.²

Accordingly, NSBA recommends that lawmakers, led by the Task Force, create a framework for regulating AI that considers barriers small businesses may face in adopting AI, including but not limited to knowledge barriers, concerns over legal and compliance issues as well as costs, and shortfalls in employee training for an increasing digital economy.

Specifically, NSBA encourages lawmakers to incorporate the following recommendations into a framework for AI:

- Ensure that key agencies tasked with regulating AI such as the Department of Commerce's National Institute of Standards and Technology (NIST) have funding specifically appropriated for resources focused on small-business AI deployment. The Small Business Administration (SBA) should also be a critical actor in disseminating these resources. The *Small Business Artificial Intelligence Training and Toolkit Act of 2024*, introduced in the previous Congress by Sens. Maria Cantwell (D-WA) and Jerry

¹ "The Impact of Technology on U.S. Small Business." The Impact of Technology on U.S. Small Business | U.S. Chamber of Commerce 15 Sept. 2024, www.uschamber.com/technology/artificial-intelligence/the-impact-of-technology-on-u-s-small-business.

² "Bipartisan House Task Force Report on Artificial Intelligence." U.S. House of Representatives Dec. 2024, https://republicans-science.house.gov/_cache/files/a/a/aa2ee12f-8f0c-46a3-8ff8-8e4215d6a72b/E4AF21104CB138F3127D8FF7EA71A393.ai-task-force-report-final.pdf.

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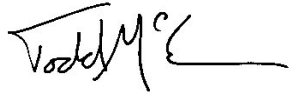
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Moran (R-KS), authorizes the Department of Commerce, under which NIST is housed, to work with SBA to ensure AI resource access.³

- Consider business size in crafting requirements for AI developers so that small-business AI innovation is not hindered by potentially burdensome regulations.
- As the Bipartisan Senate AI Working Group recommended in its own roadmap, clarify that AI-related expenses (e.g., business software, cloud computing services) are allowable expenses under the SBA's 7(a) loan program to help small businesses more affordably adopt AI.⁴ The *Small Business Technological Advancement Act*, recently introduced in the Senate by Sens. Todd Young (R-IN), Jacky Rosen (D-NV), Ted Budd (R-NC), and Jeanne Shaheen (D-NH), supports this objective.⁵

Thank you in advance for taking these recommendations into consideration. NSBA appreciates your work on this critical issue.

Sincerely,



Todd McCracken
President & CEO
National Small Business Association

³ "Cantwell, Moran Introduce Bill to Help Small Business Leverage AI Tools." U.S. Senate Committee on Commerce, Science, & Transportation 11 Jun. 2024, <https://www.commerce.senate.gov/2024/6/cantwell-moran-introduce-bill-to-help-small-business-leverage-ai-tools>.

⁴ "Driving U.S. Innovation in Artificial Intelligence." U.S. Senate May 2024, www.schumer.senate.gov/imo/media/doc/Roadmap_Electronic1.32pm.pdf.

⁵ "Young, Colleagues Introduce Bill to Help Small Businesses Adopt Digital Tools." 30 Jan. 2025, <https://www.young.senate.gov/newsroom/press-releases/young-colleagues-introduce-bill-to-help-small-businesses-adopt-digital-tools/>.