



Executive order on AI issued by California's governor signals continued focus on GenAI

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Today, California Governor Gavin Newsom issued an executive order regarding generative artificial intelligence (“GenAI”). The order states that California has established itself as the world leader in GenAI innovation with 35 of the world’s top 50 artificial intelligence companies and a quarter of all artificial intelligence patents, conference papers, and companies globally. Governor Newsom emphasized the state’s desire to be at the forefront of not only developing these technologies, but also regulating them. The order mandates various state agencies and departments develop new reports, guidance, and requirements regarding GenAI.

The stated goals of [this executive order](#) are to:

- deploy GenAI ethically and responsibly throughout state government,
- protect against and prepare for potential harms, and
- help the state continue to lead in GenAI.

While the order does not include specific requirements for companies or providers of GenAI technologies, it signals the administration’s interest in learning more about and potentially regulating GenAI. On the [Governor’s website](#), Newsom noted: “This is a potentially transformative technology – comparable to the advent of the internet – and we’re only scratching the surface of understanding what GenAI is capable of. We recognize both the potential benefits and risks these tools enable. We’re neither frozen by the fears nor hypnotized by the upside. We’re taking a clear-eyed, humble approach to this world-changing technology. Asking questions. Seeking answers from experts. Focused on shaping the future of ethical, transparent, and trustworthy AI.”

The order will enable the Governor to identify and study the development, use, and risks of artificial intelligence technology throughout the state and to develop a deliberate and responsible process for evaluation and deployment of AI within the state government. Key provisions include:

- **Risk-Analysis Report:** State agencies and departments will perform a joint risk analysis of potential threats to and vulnerabilities of CA’s critical energy infrastructure by the use of GenAI and draft a report to the Governor.
- **Procurement Blueprint:** By January 2024, agencies will issue general guidelines for public sector procurement, uses, and required training for application of GenAI -- building on the [White House’s Blueprint for an AI Bill of Rights](#) and the [National Institute for Science and Technology’s AI Risk Management Framework](#). They will consider opportunities to procure and use GenAI to improve the efficiency, effectiveness, accessibility, and equity of government operations.

- **Beneficial Uses of GenAI Report:** Agencies and departments will develop a report examining the most significant and beneficial uses of GenAI in the state, while also explaining the potential harms and risks for communities, government, and state government workers.
- **Deployment and Analysis Framework:** The state will establish the infrastructure and guidelines for agencies and departments to analyze the impact that adopting GenAI technologies may have on vulnerable communities, including conducting pilots and testing of GenAI projects.
- **State Employee Training:** Agencies will provide training for state government workers to use state-approved GenAI to achieve equitable outcomes, and will establish criteria to evaluate the impact of GenAI to the state government workforce.
- **GenAI Partnership and Symposium:** A formal partnership will be formed among the state; University of California, Berkeley's College of Computing, Data Sciences, and Society; and Stanford University's Institute for Human-Centered Artificial Intelligence to consider and evaluate the impacts of GenAI on California and what efforts the state should undertake to advance its leadership in this industry. This includes hosting a joint summit in 2024 to engage in discussions about the impacts of GenAI on California and its workforce.
- **Legislative Engagement:** Agencies and departments will engage with legislative partners and key stakeholders in a formal process to develop policy recommendations for responsible use of AI, including any guidelines, criteria, reports, and training.
- **Evaluate Impacts of AI on an Ongoing Basis:** The state will periodically evaluate the potential impact of GenAI on regulatory issues under the respective agency, department, or board's authority and recommend necessary updates as a result of this evolving technology.

Throughout the next year, the administration will work with the state's workforce, to implement the provisions of the executive order and to engage the Legislature and stakeholders to develop policy recommendations for GenAI. This aligns with the growing trend of states seeking to become more involved in learning more about and to propose requirements related to the use of GenAI. While there are no specific requirements for private sector companies imposed by the order, it is a reminder of the attention policymakers are paying to GenAI, provides insights into the benefits and potential risks the state is identifying from GenAI use cases, and presents an opportunity for stakeholders to engage with the government on policies as they develop.

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