June 30, 2026

California Department of Justice
Consumer Protection Section
1515 Clay Street
Oakland, California 94612

RE: Proposed regulations for the "Protecting Our Kids from Social Media Addiction Act"

The Association for Competitive Technology (ACT) writes to submit comments concerning the proposed rule implementing the "Protecting Our Kids from Social Media Addiction Act".[1]

ACT represents small business innovators and startups in the software development and high-tech space located in California and across the United States.[2] As the world embraces mobile technologies, our members create the innovative products and services that drive the global digital economy by improving workplace productivity, accelerating academic achievement, and helping people lead more efficient and healthier lives. Today, the domestic app economy is worth more than $1.8 trillion and provides over 6.1 million American jobs.[3]

As the California Department of Justice (California DOJ) proceeds with this rulemaking, we urge the agency to reconsider how the proposed regulations would affect small and medium-sized developers who provide an internet website, online services, online application, or mobile application in the state of California. Many small developers do not have the same resources or legal expertise as their larger counterparts to navigate compliance with new regulatory requirements or implement complex compliance obligations. While the California DOJ's consideration of the regulations' impact on small businesses is appreciated, the proposed regulations impose substantial compliance burdens that may not provide commensurate online safety benefits. Accordingly, we urge the California DOJ to reconsider the decision to not include an exemption for small businesses or consider adopting a tiered compliance structure that accounts for the unique challenges small businesses will face in complying.

As drafted, the proposed regulations impose a number of substantial compliance burdens that many small businesses in the state of California will struggle to navigate. First, the proposed regulations prohibit operators from requiring consumers to provide government-issued identification or relying on a government identification-based method as the sole

[1] https://oag.ca.gov/news/press-releases/california-department-justice-releases-proposed-protecting-our-kids-social-media

[2] ACT | The App Association, *About*, *available at* http://actonline.org/about.

[3] ACT | The App Association, *State of the U.S. App Economy: 2023*, https://actonline.org/wp-content/uploads/APP-Economy-Report-FINAL-1.pdf.

method of age assurance. As a result, small businesses may need to implement and maintain multiple age assurance methods, even where a government identification-based process would otherwise be most appropriate or cost-effective means of compliance.

Second, the regulations require a multi-step process for obtaining parental consent. Operators must provide notice to the user and obtain the user's consent to seek parental consent before providing notice to the user's parent and obtaining verifiable parental consent. Operators must also offer simple mechanisms for both the user and parent to revoke consent. Implementing every step of this process will require a small business to build the requisite technical infrastructure, privacy management programs, and customer support processes needed to administer consent requests, track status, process revocations, and maintain compliance on an ongoing basis.

Third, proposed Section 561 requires operators to publish and maintain a report describing their age assurance methods, the data used, the basis for relying on that data, accuracy and testing practices, anti-fraud measures, audits, and effectiveness. For small organizations, preparing, maintaining, and periodically updating this report will require significant legal, technical, and operational resources that many small businesses do not possess.

These examples are not intended to be an exhaustive accounting of the burdens imposed by the proposed regulations, but rather an illustration of the cumulative compliance burdens small businesses will face throughout the implementation and ongoing operation of these requirements. Together, these obligations will require substantial investments in legal, privacy, customer support, and engineering functions that many small businesses do not have the personnel or financial resources to support. To better support small businesses, we urge the California DOJ to reconsider its decision to not include an exemption for small businesses or consider adopting a tiered compliance framework that preserves the proposed regulations' objectives while recognizing the practical realities that many small businesses face. This approach would mitigate compliance burdens without compromising the regulations' objectives.

We appreciate your consideration of the above views and welcome any opportunity to provide additional commentary as the rulemaking process advances.

Sincerely,

Morgan Reed

Morgan Reed
President
Association for Competitive Technology