

October 10, 2024

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, District of Columbia 20515

The Honorable Steve Scalise
House Majority Leader
United States House of Representatives
Washington, District of Columbia 20515

The Honorable Hakeem Jeffries
House Minority Leader
United States House of Representatives
Washington, District of Columbia 20515

The Honorable Charles E. Schumer
Senate Majority Leader
United States Senate
Washington, District of Columbia 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, District of Columbia 20510

Re: ACT | The App Association Urges Full Funding for NIST to Support U.S. Leadership in AI Innovation and Standards Development

Dear Speaker Johnson, Majority Leader Scalise, Minority Leader Jeffries, Majority Leader Schumer, and Minority Leader McConnell,

ACT | The App Association recognizes your recent efforts to govern artificial intelligence (AI) technologies and urges strong funding for the National Institute of Standards and Technology (NIST) to succeed in this endeavor. The App Association is the leading trade group representing small businesses in the app economy. Today, the App Association represents an ecosystem that is valued at approximately \$1.8 trillion and is responsible for 6.1 million American jobs.¹ Our members are innovators that create the software bringing your smart devices to life. They also make all the connected devices

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

that are revolutionizing healthcare, agriculture, public safety, financial services, and virtually all other industries. They propel the data-evolution of these industries and compete with each other and larger firms in a variety of ways, including on privacy and security protections.

AI is transforming industries and society, but this transformation depends on public trust. Building this trust requires a legal and policy framework that enables a vibrant marketplace that produces AI tools that are safe, secure, and responsible. Standards are the foundation of this framework, and NIST is uniquely positioned to facilitate their development. While standards setting is a private sector-led, multistakeholder process, NIST supports this ecosystem by providing technical expertise such as creating testing and evaluation methods² and providing measurement tools such as testbeds.³ Additionally, NIST fosters U.S. participation in standards development by convening stakeholders and providing technical input at meetings organized by standards organizations.

NIST plays a critical role in advancing U.S. leadership in emerging technology development, and as AI's threads weave further into the fabric of the global economy, policymakers will only task it with more activities. Congress has already recognized the importance of NIST's role in AI through several key bills. The Promoting United States Leadership in Standards Act of 2024, for example, tasks NIST with supporting U.S. participation in creating standards for AI and other critical technologies.⁴ The TEST AI Act of 2023 calls on NIST to establish testbeds for evaluating trustworthy AI systems.⁵ These legislative efforts underscore Congress' confidence in NIST's ability to guide the development of standards.

However, with these expanded responsibilities come the twin needs for Congress to refrain from expanding the agency's role to quasi-regulator, while significantly increasing its funding. NIST has faced chronic underfunding for years, which has severely impacted its ability to fulfill its mission. For example, its facilities have deteriorated, with power outages and water leaks causing millions of dollars in damages to vital equipment.⁶ This underfunding threatens NIST's ability to meet its growing mandates, especially as it is tasked with 22 percent of the recent White House AI Executive Order's mandates, including developing AI safety and security standards, creating the AI Risk Management Framework, overseeing the secure development of generative AI and dual-use foundation models, and coordinating AI testing and evaluation environments.⁷

² *AI Test, Evaluation, Validation and Verification (TEVV)*, National Institute of Standards and Technology, (last accessed: Oct. 7, 2024), <https://www.nist.gov/ai-test-evaluation-validation-and-verification-tevv>.

³ *NSF announces new AI test beds initiative to advance safety and security of AI technologies*, U.S. National Science Foundation, (July 23, 2024), <https://new.nsf.gov/news/nsf-announces-new-ai-test-beds-initiative-advance>.

⁴ *Promoting United States Leadership In Standards Act of 2024*, S. 3849, 118th Cong. (2024).

⁵ *TEST AI Act of 2023*, S. 3162, 118th Cong. (2023).

⁶ William Thomas, *Study Sounds Alarm on Decaying NIST Facilities*, AIP, (Feb. 17, 2023), <https://ww2.aip.org/fyi/2023/study-sounds-alarm-decaying-nist-facilities>.

⁷ *Exec. Order No. 14110*, 3 C.F.R. 2023-24283 (2023).

We urge Congress to continue to reject calls for NIST to take on tasks that require it to pick winners and losers in standards development, while prioritizing fully funding the agency to perform its core functions in the coming years. While we are encouraged by the inclusion of some funding for AI initiatives in recent bills, such as the \$10 million proposed in the Future of AI Innovation Act,⁸ it falls far short of what is needed. Fully funding NIST's budget request, notably including the \$47.7 million for its Scientific and Technical Research and Services account,⁹ is essential to ensuring that NIST can support U.S. leadership in AI innovation, safety, and security. NIST's work is central to establishing public trust in AI while maintaining the U.S.'s global competitive edge.

Investing in NIST is an investment in the future of American innovation, ensuring that standards development remains private sector-led, with NIST providing the support and expertise necessary to advance responsible AI development.

Thank you for your attention to this critical issue.

Sincerely,

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

Morgan Reed
President
ACT | The App Association

⁸ Future of Artificial Intelligence Innovation Act of 2024, S. 4178, 118th Cong. (2024).

⁹ National Institute of Standards and Technology & National Technical Information Service, Budget Submission to Congress, Fiscal Year 2025.