

# Policy Recommendations for AI

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Artificial Intelligence (AI) is clearly a priority for policymakers, with 37 AI-related laws enacted globally, more than 80 pending legislative proposals at the state level and several more at the federal level. To understand and shape rules for this complex and evolving technology, a vital voice—that of small businesses, members of ACT| The App Association—must be prioritized in order to create a competitive, safe, and secure AI future.

We initially released these principles in 2021. However, we are updating them continually to reflect new developments in privacy and data security laws around the world and new learnings about the benefits, risks, and challenges presented by evolving AI tools in use cases from healthcare and education to software development and cybersecurity.

A successful policy approach to AI will align with the following guidelines:





# 1. Harmonizing and Coordinating Approaches to AI

A wide range of federal, local, and state laws prohibit harmful conduct regardless of whether the use of AI is involved. For example, the Federal Trade Commission (FTC) Act prohibits a wide range of unfair or deceptive acts or practices, and states also have versions of these prohibitions in their statute books. The use of AI does not shield companies from these prohibitions. However, federal and state agencies alike must approach the applicability of these laws in AI contexts thoughtfully and with great sensitivity to the novel or evolving risks AI systems present. Congress and other policymakers must first understand how existing frameworks apply to activities involving AI to avoid creating sweeping new authorities or agencies that awkwardly or inconsistently overlap with current policy frameworks.

# 2. Quality Assurance and Oversight

Policy frameworks should utilize risk-based approaches to ensure that the use of AI aligns with any relevant recognized standards of safety, efficacy, and equity. Small software and device companies benefit from understanding the distribution of risk and liability in building, testing, and using AI tools. Policy frameworks addressing liability should ensure the appropriate distribution and mitigation of risk and liability. Specifically, those in the value chain with the ability to minimize risks based on their knowledge and ability to mitigate should have appropriate incentives to do so. Some recommended areas of focus include:

- Ensuring AI is safe, efficacious, and equitable.
- Encouraging AI developers to consistently utilize rigorous procedures and enabling them to document their methods and results.
- Encouraging those developing, offering, or testing AI systems intended for consumer use to provide truthful and easy-to-understand representations regarding intended use and risks that would be reasonably understood by those intended, as well as expected, to use the AI solution.

# 3. Thoughtful Design

Policy frameworks should encourage design of AI systems that are informed by real-world workflows, human-centered design and usability principles, and end-user needs. AI systems should facilitate a transition to changes in the delivery of goods and services that benefit consumers and businesses. The design, development, and success of AI should leverage collaboration and dialogue among users, AI technology developers, and other stakeholders to have all perspectives reflected in AI solutions.



## 4.

### **Access and Affordability**

Policy frameworks should enable products and services that involve AI systems to be accessible and affordable. Significant resources may be required to scale systems. Policymakers should also ensure that developers can build accessibility features into their AI-driven offerings and avoid policies that limit their accessibility options.

## 5.

### **Research and Transparency**

Policy frameworks should support and facilitate research and development of AI by prioritizing and providing sufficient funding while also maximizing innovators' and researchers' ability to collect and process data from a wide range of sources. Research on the costs and benefits of transparency in AI should also be a priority and involve collaboration among all affected stakeholders to develop a better understanding of how and under which circumstances transparency mandates would help address risks arising from the use of AI systems.

## 6.

### **Modernized Privacy and Security Frameworks**

The many new AI-driven uses for data, including sensitive personal information, raise privacy questions. They also offer the potential for more powerful and granular privacy controls for consumers. Accordingly, any policy framework should address the topics of privacy, consent, and modern technological capabilities as a part of the policy development process. Policy frameworks must be scalable and assure that an individual's data is properly protected, while also allowing the flow of information and responsible evolution of AI. A balanced framework should avoid undue barriers to data processing and collection while imposing reasonable data minimization, consent, and consumer rights frameworks.

## 7.

### **Bias**

The bias inherent in all data, as well as errors, will remain one of the more pressing issues with AI systems that utilize machine learning techniques in particular. Regulatory agencies should examine data provenance and bias issues present in the development and uses of AI solutions to ensure that bias in datasets does not result in harm to users or consumers of products or services involving AI, including through unlawful discrimination.



# 8.

## Ethics

The success of AI depends on ethical use. A policy framework must promote many of the existing and emerging ethical norms for broader adherence by AI technologists, innovators, computer scientists, and those who use such systems. Relevant ethical considerations include:

- Applying ethics to each phase of an AI system’s life, from design to development to use.
- Maintaining consistency with international conventions on human rights.
- Prioritizing inclusivity such that AI solutions benefit consumers and are developed using data from across socioeconomic, age, gender, geographic origin, and other groupings.
- Reflect that AI tools may reveal extremely sensitive and private information about a user and ensure that laws require the protection of such information.

# 9.

## Education

Policy frameworks should support education for the advancement of AI, promote examples that demonstrate the success of AI, and encourage stakeholder engagements to keep frameworks responsive to emerging opportunities and challenges.

- Consumers should be educated as to the use of AI in the service(s) they are using.
- Academic education should include curriculum that will advance the understanding of and ability to use AI solutions.

# 10.

## Intellectual Property

The protection of intellectual property (IP) rights is critical to the evolution of AI. In developing approaches and frameworks for AI governance, policymakers should ensure that compliance measures and requirements do not undercut IP or trade secrets.