



Perspectives on AI Regulation

COLORADO ARTIFICIAL INTELLIGENCE IMPACT TASK FORCE
SEPTEMBER 16, 2024

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AI Across Industries

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AI ACROSS SECTORS

AI systems can be used in a range of industry-specific scenarios, many of which help companies improve existing products and services.



Transportation

AI systems can improve the efficiency of airlines, by helping to pinpoint causes of any slowdowns in the process of cleaning, refueling, and reloading an airplane. Detecting these delays early helps the airline mitigate their effect on passengers.



Manufacturing

AI design tools can optimize manufacturing processes, to reduce waste and improve products. This is true from early phases, where AI can help design and test new prototypes, to factory floors where AI systems can identify maintenance and quality-control issues.



Agriculture

Farmers use AI systems to analyze large volumes of weather and crop information, helping them monitor their crops, increase yields, and adjust to rain and drought conditions.




Construction

Companies use AI to streamline the process of designing and constructing new buildings. They can also create "digital twins" of real-life cities to understand environmental and other impacts of a proposed design.

Confronting Bias: BSA's Framework to Build Trust in AI

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BSA AI Bias Risk Management Framework

 DESIGN			
Function	Category	Diagnostic Statement	Comments on Implementation
PROJECT CONCEPTION			
Impact Assessment	Identify and Document Objectives and Assumptions	Document the intent and purpose of the system.	<ul style="list-style-type: none"> What is the purpose of the system—i.e., what "problem" will it solve? Who is the intended user of the system? Where and how will the system be used? What are the potential misuses?
		Clearly define the model's intended effects.	What is the model intended to predict, classify, recommend, rank, or discover?
		Clearly define intended use cases and context in which the system will be deployed.	
	Select and Document Metrics for Evaluating Fairness	Identify "fairness" metrics that will be used as a baseline for assessing bias in the AI system.	The concept of "fairness" is highly subjective and there are dozens of metrics by which it can be evaluated. Because it is impossible to simultaneously satisfy all fairness metrics, it is necessary to select metrics that are most appropriate for the nature of the AI system that is being developed and consistent with any applicable legal requirements. It is important to document the rationale by which fairness metrics were selected and/or excluded to inform latter stages of the AI lifecycle.

Everyday AI for Consumers

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Do you want to pick up where you left off?

AI systems are frequently used to identify documents and other files that users recently worked on and may want to re-open. These systems can also help users locate and organize their files, such as suggesting that similar files be stored in similar locations.



Did you forget an attachment?

For years, AI systems have been used by email providers to identify when a user may have forgotten to attach a document—and ask if something is missing.

Do you want to know more about that athlete?

AI systems are used to improve traditional analytics that power fantasy sports leagues, by combining inputs on sports players and teams with news articles and other sources. That creates detailed insights for sports fans, like hole-by-hole player predictions for golf tournaments.



Is it noisy during your video call?

If you join a video call from a crowded room, the video call provider may use an AI system to reduce the amount of background noise heard by others on the call—while making sure you still come through loud and clear.



Do you want to save time completing a form?

AI systems can auto-populate your shipping address when you order a package or create draft responses to forms that you've completed in the past.

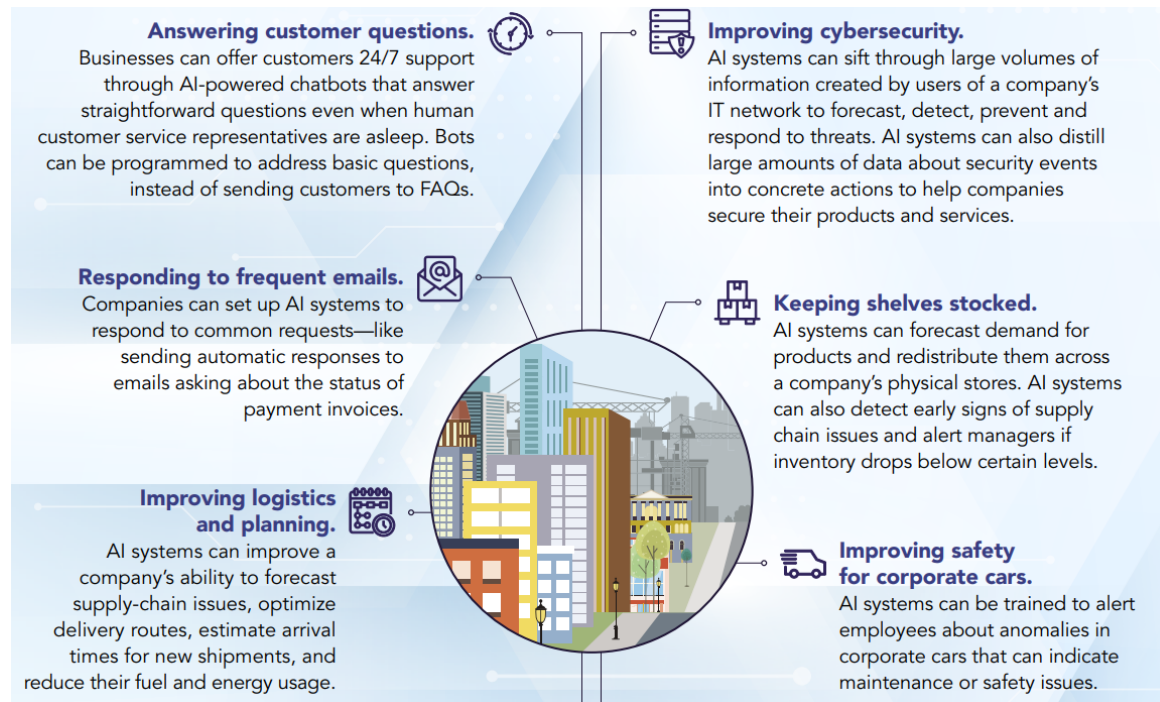


How can you reach that savings goal?

AI systems can help you track your spending and budget goals, including analyzing your monthly spending habits and providing personalized recommendations for saving money.

Everyday AI for Businesses

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Global AI Policy Landscape

Europe

Asia-Pacific Region

US: Federal

US: States



Colorado AI Act (SB 24-205)

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BSA appreciates that the Colorado AI Act:

- Focuses on high-risk uses of AI
- Distinguishes between AI developers and AI deployers
- Requires impact assessments
- Requires risk management programs
- Is exclusively enforced by the AG

Colorado AI Act (SB 24-205)

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BSA recommends additional clarification regarding:

- The roles and responsibilities among different actors in the AI value chain
 - Potential to sweep in a broad range of companies that do *not* develop high-risk AI systems
 - Definition of high-risk AI
 - Definition of intentional and substantial modification

Colorado AI Act (SB 24-205)

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BSA recommends additional clarification regarding:

- AI incident reporting
 - Assumes ongoing relationship between companies
 - Threshold for reporting
- Consumer rights, including the practical intersection with consumer privacy rights

The AI Value Chain: Distinct Roles and Responsibilities



Risk Management Programs



Impact Assessments for High-Risk AI

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Why Conduct an Impact Assessment?

Impact assessments have three purposes:



IDENTIFYING
potential risks that an
AI system may pose.



QUANTIFYING
the degree of potential
harms the system
could generate.



DOCUMENTING
steps taken to
mitigate those risks.

Impact Assessments: Leveraging Privacy

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HOW IMPACT ASSESSMENTS ARE USED IN PRIVACY AND DATA PROTECTION

Impact assessments are already used in a range of other fields, including privacy and data protection. A broad range of global and state privacy laws already require organizations to conduct impact assessments, and those processes can be leveraged to conduct AI-focused impact assessments. Impact assessments are an important and proven accountability tool to identify and mitigate risks, which can promote the responsible development and use of high-risk AI systems.



United States: At least 10 state privacy laws require data controllers to conduct impact assessments for specific types of data processing, such as processing involving sensitive personal data, targeted advertising, sale of personal data, and certain types of profiling.



European Union: Under the General Data Protection Regulation, controllers must conduct data protection impact assessments for certain activities, including those “likely to result in a high risk to the rights and freedoms of natural persons.”



Worldwide: Privacy and data protection laws worldwide have also focused on the importance of impact assessments as a tool for improving accountability, ranging from requirements in Brazil, Korea, Singapore, and the UK, to guidance in Canada, Australia, and beyond.

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Questions?

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