Testimony of Kate Goodloe
Hearing on White House AI Policy
December 6, 2023

Good afternoon, Chairwoman Mace, Ranking Member Connolly, and members of the Subcommittee. My name is Kate Goodloe, and I am Managing Director at BSA | The Software Alliance.

BSA is the leading advocate for the global enterprise software industry. BSA members are at the forefront of developing cutting-edge services — including AI — and their products are used by businesses in every sector of the economy and by agencies across the federal government.

I commend the Subcommittee for convening today's hearing and I thank you for the opportunity to testify.

The United States needs a strong, clear, thoughtful approach to AI policy.

Both Congress and the Administration have important roles in developing that policy.

It is critical for the United States to get this right. The benefits of AI are clear, as companies of all sizes and in every industry use AI to improve safety, create better products, and serve their customers. There are also significant risks if AI is not developed and deployed responsibly. AI policy should:

- One: protect individuals from real risks by creating durable safeguards that promote trust in AI;
- Two: enable the government to benefit from AI technologies and deliver better public services; and
- Three: position the United States as a leading voice in the global approach to responsible AI.

The benefits of getting this right are significant, including to promote the government's ability to procure and use tools like AI-powered cybersecurity services. Think about a federal agency trying to protect both its network and the sensitive information it holds about individuals — things like passport applications, medical records, and tax documents. We already know that bad actors use AI to launch increasingly sophisticated cyber attacks. The government needs to use AI to stay ahead of those threats.

The United States' AI policy should support important, beneficial uses of AI that improve health, safety, and national security, while creating guardrails for high-risk uses.

The recent Executive Order takes an ambitious, whole of government approach to AI policy. I want to highlight several positive steps it takes to advance responsible AI:

- The Executive Order recognizes the importance of the **AI Risk Management Framework** developed by the National Institute of Standards and Technology. We encourage the Administration to ensure that Framework is the primary tool for the government's risk management efforts.

- The Executive Order also recognizes the importance of AI in **cyber defense.**

- It launches a pilot program to implement the **National AI Research Resource** to give researchers access to compute power and training resources.

- It recognizes the importance of **content authenticity tools and standards**, to help people know when content is real or has been altered.

- It promotes the coordinated enforcement of **civil rights statutes** across agencies.

Other parts of the Executive Order create notable and important obligations – with effects that will depend on how they are implemented. We encourage the Administration to consult with stakeholders, including industry, to ensure these obligations will work in practice and do not undermine the Executive Order's goals. I'll give two examples:

- **First: New reporting requirements,** which will apply to companies that develop certain dual-use foundation models, and entities that acquire or possess large-scale computing clusters.

- **Second: New know-your-customer obligations** for US Infrastructure as a Service providers, who must report certain transactions with foreign persons to Commerce, and to pass on those obligations to their foreign resellers.

The Executive Order also addresses government use and procurement of AI, which are the focus of draft guidance by the Office of Management and Budget. My written testimony includes BSA's recommendations on improving that guidance, including ensuring it applies consistently across federal agencies. It's also important to **coordinate** OMB's changes with **five concurrent regulatory updates** that will affect how the government procures AI. Failing to do so can undermine the government's goal of effectively leveraging AI.

The Executive Order is much broader than these efforts. It tasks more than 40 federal entities with drafting reports, conducting consultations, and developing rules [that will affect how AI is used both inside and outside the federal government].

Despite this ambitious approach, **the Executive Order does not replace the need for Congressional action on AI.**

Congress should play a leading role in setting the United States' AI policy, in at least two ways.

First, Congress should pass legislation that ensures the **NIST Framework guides** the government's use and procurement of AI systems.

Second, Congress should enact legislation that establishes **new safeguards** for private sector companies that develop or deploy high-risk AI systems.

These actions can help to create a **strong, clear, and thoughtful** United States policy on AI.

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Thank you for the opportunity to testify. I look forward to your questions.