



**Oral Testimony of Meghan Pensyl  
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**Rulemaking Hearing on Proposed Rules for the Automated Decision-Making Technology and Chatbot  
Safety Acts**

**Colorado Department of Law**

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Good morning. Thank you for the opportunity to testify. I'm Meghan Pensyl, Policy Director at the Business Software Alliance. BSA is the leading trade association for the global enterprise software industry. Our members develop business-to-business technologies, including AI, used by companies across every sector of the economy.

We appreciate the Department's thoughtful response to stakeholder feedback. The interim draft makes important improvements, and we strongly encourage you to retain them.

Rule 4 gives companies a clearer understanding of their responsibilities. Downstream developers can reasonably rely on information from upstream developers. Deployers remain responsible when another company operates a system on their behalf. These changes reflect how enterprise AI is developed and used.

We also support the protection for upstream developers when others use their products in ways those developers neither intended nor knew about.

The substantial-factor standard is another important improvement. It recognizes that an AI output may play only a minor role when a person relies on independent evidence. We also welcome the clarification that administrative tools do not materially influence decisions simply by organizing or presenting information.

And allowing developers to provide summaries that protect trade secrets gives them a practical way to share useful information.

Our remaining recommendations build on this progress.

First, we recommend applying the same principles of knowledge, possession, control, and reasonable reliance throughout the final rules. Developer disclosures should reflect what is technically feasible and reasonably available, without requiring developers to reconstruct customer decisions or create new capabilities.

Second, for material influence, we recommend replacing the presumption with an objective assessment of all the circumstances. A hiring manager may see an AI-generated score but make an independent decision

based on interviews and the applicant's record. The score may match the outcome without having played a meaningful role in the decision.

And finally, we recommend extending the trade secret protections to intellectual property and other confidential information. Developers should be able to withhold information when no useful alternative can be provided without revealing protected details.

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BSA's written comments on the interim rules provide further detail regarding our recommendations. Thank you again for the opportunity to testify.