

July 2023

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Welcome to the July edition of Akin Intelligence. In this month's AI news, the U.S. Senate receives member-only briefings on AI, U.S. states continue to debate and legislate on AI issues, the U.S. prepares new Al-related export controls, and the European Parliament adopts its position on the EU AI Act. Many more stories and developments below!

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### Akin Spotlight



#### Frontier Al Regulation: Managing Emerging Risks to Public Safety

Akin contributed to this whitepaper with authors from the Al industry, nonprofits, and universities.

Link to full Whitepaper

#### Department of Education Shares Insights on Al

On May 24, 2023, the Department of Education's Office of Educational Technology (OET) released a new report, Artificial Intelligence (AI) and the Future of Teaching and Learning: Insights and Recommendations. The report is a part of the administration's "ongoing work to advance [a] comprehensive approach to AI" and touches on the need for "sharing knowledge, engaging educators and communities, and refining technology plans and policies for AI use in education." The report elaborates on opportunities and risks associated with AI in the education space and was the product of over 700 educational stakeholders' participation. The report's seven recommendations emphasize the need for additional and informed collaboration with state, local and other partners to develop productive AI that coheres with "trust, safety, and appropriate guardrails" for educators and students alike.

# Bureau of Industry and Security Considers Updates to Al-Related Export Controls

On October 7, 2022, the U.S. Commerce Department's Bureau of Industry and Security (BIS) applied new export restrictions on, among other things, exports, reexports and transfers of certain advanced computer chips with AI applications (e.g., GPUs) to/within China. Per recent news reports, BIS now appears to be in the final stages of considering certain updates, clarifications and revisions to the October 7 Rule.

A <u>Wall Street Journal (WSJ) article</u> on June 27, 2023 identified that BIS is now considering expanding the scope of the October 7 Rule to: (a) control exports, reexports and transfers of additional chips that could be used for artificial intelligence applications in China (e.g., a broader range of GPUs), and (b) restrict the provision of cloud computing services using these chips to Chinese parties. An <u>additional WSJ article from July 4, 2023</u> provides more detail on potential new cloud computing rules.

The timing of any updated rules is uncertain, but the June 27 WSJ article identifies that these updates are unlikely to come before Treasury Secretary Janet Yellen's trip to China in early July. Publishing the updates in late July or August would also give BIS time to align its updated rules with those of allies such as the <u>Netherlands</u> and Japan.

# Federal Communications Commission and National Science Foundation to Host Al Workshop

On June 20, 2023, the Federal Communications Commission (FCC) and the National Science foundation (NSF) <u>announced</u> a workshop taking place on July 13. The workshop, entitled "The Opportunities and Challenges of Artificial Intelligence for Communications Networks and Consumers," will convene stakeholders to discuss opportunities and risks of artificial intelligence on key consumer issues, such as robocalls and digital discrimination. Stakeholders will include network operators, academics, federal agencies and public interest representatives. The event will be available <u>via live feed</u>, with the agenda and additional information to follow.

## General Services Administration Outlines Interim Policy for Generative Al Access

On June 9, 2023, the General Services Administration (GSA) published an interim <u>policy</u> for controlled access to generative AI from GSA equipment. The GSA joins other federal

agencies closely controlling or blocking the use of generative AI by federal employees and contractors.

# National Artificial Intelligence Advisory Committee Holds Briefing Sessions and Releases First Report

The National Artificial Intelligence Advisory Committee (NAIAC) held a series of virtual <u>briefing sessions</u> on June 20, 22 and 27, 2023. The sessions invited stakeholder and civil society organizations to brief the Committee, with the full minutes and recording to accompany the <u>agenda</u> at a later date.

NAIAC also delivered its first full <u>report</u> to the President. The report provides recommendations for the U.S. government "to maximize the benefits of AI technology, while reducing its harms." The recommendations encompass steps to bolster U.S. leadership in trustworthy artificial intelligence, cultivate new research and development initiatives, ensure support for workforces and facilitate international cooperation. The report identifies additional areas of focus for the next two years, specifically denoting that additional research and consideration regarding the use of AI technologies in the criminal justice system is forthcoming.

# Consumer Financial Protection Bureau Proposes Rule to Regulate Al Home Appraisals

On June 1, 2023, the Consumer Financial Protection Bureau (CFPB) proposed a rule that would ensure that automated home valuations are fair and nondiscriminatory. Covered institutions using models to determine home value decisions would have to take steps to boost confidence in valuation estimates and protect against data manipulation. The proposed rule would also require companies to have policies and processes to avoid conflicts of interest, conduct random sample testing and reviews, and comply with nondiscrimination laws.

The proposed rule was created in conjunction with the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Housing Finance Agency, National Credit Union Administration, and Office of the Comptroller of the Currency and supports the Interagency Task Force on Property Appraisal and Valuation Equity. The proposal follows previously issued <u>guidance</u> requiring lenders using black-box credit models to provide specific and accurate explanations for denying applications.

## Federal Election Commission Considers Regulations on Use of AI in Campaign Ads

On June 22, 2023, the Federal Election Commission (FEC) <u>responded</u> to a <u>Petition</u> for Rulemaking from Public Citizen requesting guidance regarding AI campaign advertisements and fraudulent misrepresentation of campaign authority. The commissioners were <u>deadlocked</u> on whether to open the matter for public comment, with commissioners both citing the salience of the issue in forthcoming elections but also the lack of clarity regarding the FEC's jurisdiction over AI.

#### President Biden Meets with Big Tech Critics on Al Potential Risks

On June 20, 2023, President Joe Biden and Gov. Gavin Newsom (D-CA) held a closed door meeting with a group of civil society leaders regarding the "promise and risks" of Al. Attendees included Tristan Harris, the executive director of the Center for Humane Technology; Joy Buolamwini, the founder of the Algorithmic Justice League; and Jim Steyer, the chief executive of Common Sense Media. Vice President Harris will hold a follow-up session on Al in July with civil rights leaders and consumer advocates.

## FDA Issues Final Guidance for Premarket Submissions for Device Software Functions

On June 14, 2023, the U.S. Food and Drug Administration (FDA) published <u>final guidance</u> on recommended documentation for premarket submissions for software functions in medical devices, including those that utilize artificial intelligence and machine learning models. The final guidance recommends how sponsors should document several elements of software functions in varying levels of detail, depending on the potential risks associated with the device function. The software elements include, for example, software description, the risk management file, software requirements specification (SRS), system and software architecture design, software testing as part of verification and validation, and unresolved software anomalies.

If the software function uses artificial intelligence or machine learning models trained through adaptive methods, for instance, the "software description" should provide: the methods and frameworks used; the data (population, samples) that informed the models, and where, when and how the data were collected; the steps taken to identify and address potential bias and limitations; and what approaches were used to provide transparency about the model's development, performance and limitations.

The agency also highlights several internationally recognized standards that sponsors may consider referencing in their submissions. The final guidance supersedes the FDA's "Guidance for the Content of Premarket Submissions for Software Contained in Medical Devices" issued in 2005, and includes revisions from the draft version released for comment in 2021. The agency is hosting a webinar for industry and other stakeholders on July 20 to provide an overview and answer questions about the new final guidance.

### **Congressional Action**



On June 21, 2023, Senate Majority Leader Chuck Schumer (D-NY) unveiled the five policy objectives underpinning his ongoing work on a legislative framework to regulate Al—the Security, Accountability, Foundations, Explain (SAFE) Innovation Framework for Al—at a Center for Strategic and International Studies (CSIS) event. A summary of the framework is available here. Leader Schumer announced that Sens. Mike Rounds (R-SD), Todd Young (R-IN), Martin Heinrich (D-NM) and himself will be leading the bipartisan charge on Al regulation, also noting that Commerce Chair Maria Cantwell (D-WA), Homeland Security and Governmental Affairs Chair Gary Peters (D-MI), Intelligence Chair Mark Warner (D-VA), Judiciary Chair Dick Durbin (D-IL), and Antitrust Subcommittee Chair Amy Klobuchar (D-MN) were all asked to contact their ranking members to commence bipartisan efforts. In terms of timeline, Leader Schumer projected that the framework would take "months."

As part of the push, Leader Schumer has also <u>unveiled</u> a slate of AI-focused, member-only briefings for the Senate this summer. On June 13, 2023, senators convened for the first briefing, after which the Majority Leader <u>noted</u> the sense of urgency for lawmakers to stay proactive on the issue. While he pointed to potential societal benefits from AI such as medical advances and breakthroughs in fusion energy, Leader Schumer also highlighted challenges associated with the technology, including the difficulty of "explainability," and called for increased cooperation between legislators, developers, researchers, academics and advocates. In July, the second and third briefings will focus on the trajectory of AI in the near future, as well as the resulting implications for U.S. national security.

Leader Schumer has indicated that he will convene a series of "AI Insight Forums" in the fall with AI developers and executives, scientists, national security experts and others. The goal is to establish a formal information gathering process that is more efficient than traditional congressional hearings and better aligned with the rapid timeline of AI innovation and advancement. Following these forums, committees of jurisdiction will still need to propose legislation informed by these discussions.

#### Senate Republican Unveils Al Principles

On June 7, 2023, Sen. Josh Hawley (R-MO), <u>unveiled</u> five guiding principles for future Al legislation, outlining the need for any measure to (1) allow for a private right of action; (2) prohibit Al models from harvesting sensitive personal data without consent, with "stiff penalties" for misuse; (3) enforce age limits on use; (4) block any importation of Al-related chips and technology from China and prevent American corporations from aiding China's development of Al; and (5) establish a licensing system for entities working on generative Al models.

# Bipartisan Senate Pair Introduces Section 230 Al Bill; Plans on Broader Framework Underway

Sens. Hawley and Richard Blumenthal (D-CT) also recently <u>introduced</u> the No Section 230 Immunity for AI Act (<u>S. 1993</u>), which would clarify that Section 230 immunity will not apply to claims based on generative AI. The pair noted that the bill is part of a larger framework they plan to introduce to regulate the use of AI.

#### Senate Homeland Security Committee Advances Al Transparency Legislation

The Senate Homeland Security and Governmental Affairs Committee (HSGAC) on June 14, 2023, approved the Transparent Automated Governance (TAG) Act (<u>S. 1865</u>) by a 14-1 vote, with Sen. Rand Paul (R-KY) voting against advancing the bill. The measure would (1) require the Office of Management and Budget (OMB) to issue guidance to agencies to implement transparency practices relating to the use of Al and other automated systems; (2) direct agencies to notify individuals when they are interacting with certain automated systems, or when a critical decision is made about them using an augmented decision process; and (3) instruct agencies to establish human review appeals processes for individuals who receive an adverse critical decision.

#### **Democratic Senators Urge AI Guardrails**

Sen. Ben Ray Luján (D-NM), Chair of the Senate Commerce Committee's Communications, Media and Broadband Subcommittee, recently submitted <u>comments</u> urging the National Telecommunications and Information Administration (NTIA) to create responsible guardrails around AI development, governance and use in response to the agency's <u>AI Accountability Request for Comment</u>. Sen. Luján specifically pointed to language equity, artist and consumer protections, and privacy as key areas where greater regulations are needed.

Sen. Michael Bennet (D-CO) <u>called</u> for leaders of major generative AI and social media companies to identify and label AI-generated content and to limit the spread of AI-generated content designed to mislead users. In a letter to the CEOs of Meta, OpenAI, Google, Stability AI, Anthropic, Twitter, TikTok, Microsoft and Midjourney, Sen. Bennet requested information related to AI development regarding technical standards, safety features and oversight regarding the creation and dissemination of generative AI content.

On June 21, 2023, the House Armed Services Committee held a day-long markup of the fiscal year (FY) 2024 National Defense Authorization Act (NDAA; H.R. 2670), advancing the measure by a 58-1 vote. During the markup, lawmakers approved a number of AI-focused amendments, including an amendment offered by Rep. Jeff Jackson (D-NC) to require the U.S. Department of Defense (DoD) to report to Congress on the national security implications of foreign adversaries' development of AI. Lawmakers also approved an amendment offered by Rep. Sara Jacobs (D-CA) to require DoD to assess whether AI technologies used by the DoD are functioning responsibly, and to report and remediate any AI technology not being used responsibly.

#### **Congressional Committees Continue Series of AI Hearings**

The Senate Judiciary Committee's Human Rights Subcommittee on June 13, 2023, held a hearing on AI and human rights. During the hearing, some panelists voiced concern about lack of a federal data privacy law, to which Subcommittee Chair Jon Ossoff (D-GA) concurred, stating, "I find it malpractice that Congress has not passed a federal privacy statute at this point. And so I'm going to continue to insist that my colleagues take seriously this unmet need." Subcommittee Ranking Member Marsha Blackburn (R-TN) also warned of foreign adversaries using AI to further their surveillance operations. The following day, Ranking Member Blackburn took to the Senate floor to laud the bipartisan nature of the hearing and outline the need to continue to bolster U.S. competiveness in AI, cautioning against ceding leadership to China.

On June 22, 2023, the House Science, Space and Technology Committee held a hearing titled, "Artificial Intelligence: Advancing Innovation Towards the National Interest." During the hearing, Chair Frank Lucas (R-OK) noted that the panel will continue to work to establish technical standards for trustworthy AI and explore ways to mitigate risks caused by AI systems through research and development of technical solutions, such as using automation to detect AI-generated media. Witnesses posed a range of recommendations to the Committee, including that the federal government (1) invest in potential research moonshots for trustworthy AI; (2) accelerate AI safety and security research and development through investment techniques such as prize competitions; (3) ensure that U.S. AI efforts include risk assessments prior to model training; (4) ensure that the National Institute of Standards and Technology (NIST) has the resources needed to continue applications of the NIST Risk Management Framework, and participate in key international standards; and (5) take steps to prevent intentional or accidental misuse of advanced AI systems, including by requiring that companies report the development or distribution of large AI computing clusters, training runs and trained models.

#### Lawmakers Introduce Other Standalone Bills

Sen. Brian Schatz (D-HI) and Reps. Ted Lieu (D-CA), Ken Buck (R-CO), and Anna Eshoo (D-CA) have introduced the National AI Commission Act (<u>H.R. 4223</u>). The bill would establish a commission comprised of 20 individuals across academia, civil society, government and industry to advise on potential regulations for AI, including by producing three AI-focused reports within two years, making recommendations on any new office that may be necessary, and developing a risk-based framework for AI.

On June 5, 2023, Rep. Ritchie Torres (D-NY) <u>introduced</u> the AI Disclosure Act of 2023 (<u>H.R. 3831</u>), which would require all content generated by AI technology to have a mandatory disclaimer, which would apply to videos, photos, text, audio, as well as any other AI generated material. The measure would grant enforcement authority to the Federal Trade Commission (FTC).

Reps. Scott Franklin (R-FL) and Sanford Bishop (D-GA) have introduced the Land Grant Research Prioritization Act (H.R. 4162), which would provide land grant universities with

access to existing U.S. Department of Agriculture (USDA) grant funding to enhance AI, mechanization and other research to develop solutions to the challenges faced by agricultural producers. Sen. Marco Rubio (R-FL) plans to introduce Senate companion legislation.

On June 8, 2023, Sens. Todd Young (R-IN), Michael Bennet (D-CO) and Mark Warner (D-VA) <u>introduced</u> the Global Technology Leadership Act (<u>S. 1873</u>), which would establish an Office of Global Competition Analysis to examine U.S. progress in advancing emerging technologies such as AI relative to other countries.

#### Top Democrat on Financial Services Panel Calls for Generative AI Hearing

House Financial Services Committee Ranking Member Maxine Waters (D-CA) has begun to voice concern about financial firms' use of AI and the potential for such use to result in greater discrimination in lending. She has particularly called on Chair Patrick McHenry (R-NC) to hold a hearing on generative AI given the potential for such tools to lead to data leaks and the spread of misinformation.

## Senate Commerce Committee Briefed by FTC Staff on Al Competition Priorities

Toward the beginning of June, the majority and minority staff of the Senate Commerce Committee were briefed virtually by Federal Trade Commission (FTC) officials—including John Newman, deputy director of the Bureau of Competition; Stephanie Nguyen, head of the Office of Technology; and Sam Levine, director of the Bureau of Consumer Protection—on a range of AI-focused competition and consumer protection issues. Later in the month, the FTC published a blog post outlining specific competition concerns arising from the development of generative AI. Priorities highlighted by the agency include striking the appropriate balance between allowing the open-source ecosystem to open up the AI playing field and mitigating the risk of misuse stemming from open-source AI models, as well as curtailing the ability of market incumbents, such as those in the cloud computing market, to use unfair methods of competition to entrench their current power.

#### **Judicial Action**

#### Federal Courts Continue to Grapple with Generative Al

Judge Michael Baylson for the United States District Court for the Eastern District of Pennsylvania issued a <u>standing order</u> requiring parties to disclose the use of AI in preparing filings with the court and certify the accuracy of citations to the law or record. Judge Baylson's order joins those issued by Judge Brantley Starr (N. D. Tex.) and Magistrate Judge Gabriel Fuentes (N. D. Ill.) (as discussed in <u>last month's Akin Intelligence</u>) in contending with the potential use of generative artificial intelligence in the courtroom.

#### OpenAl Sued for Alleged Defamation

Mark Walters, the founder of Armed American Radio broadcasts, filed a <u>complaint</u> against OpenAI in the Superior Court of Gwinnett County, Georgia. The complaint alleges that OpenAI defamed Mr. Walters when its generative AI tool, ChatGPT, allegedly generated untrue statements describing Mr. Walters. The generated statements were allegedly made in response to a query by AmmoLand.com reporter Fred Riehl, who requested that ChatGPT provide a summary of an existing court complaint from the Second Amendment Foundation. The generated statements were not published.

#### Adobe Inc. to Indemnify Copyright Challenges

Adobe Inc. <u>announced</u> that the company will provide financial indemnification for copyright challenges involving content made with Adobe Firefly, an artificial intelligence tool for generating images. The Adobe announcement comes on the heels of current litigation against AI image generators StabilityAI, Deviant Art and Midjourney <u>alleging</u> copyright infringement.

#### Class Action Suit Alleges Data Misuse

On June 28, 2023, a class action <u>complaint</u> against OpenAI and Microsoft was filed in California federal court. The complaint alleges that AI products such as ChatGPT and Dall-E utilized "stolen private information" and personally identifiable information without informed consent or knowledge in order to train AI applications, in violation of federal and state statutes, as well as common law, including violations of the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, California and Illinois privacy and consumer protection laws, and other tort offenses. The complaint requests both monetary and injunctive relief, the latter including that OpenAI and Microsoft be enjoined from commercial development of generative AI products, establish accountability and transparency measures, and permit users to opt out of data collection, among other measures.

#### Authors Allege Copyright Violation by Generative AI Products

An additional suit also filed in California federal court alleges that OpenAI misused copyrighted information when training its products. Authors Paul Tremblay and Mona Awad allege that ChatGPT's generation of "very accurate summaries" of their works is evidence that ChatGPT training datasets included material derived from "shadow library" sites allegedly violating copyright law. The complaint argues that, because OpenAI products "cannot function without the expressive information" from copyrighted works, the products themselves are infringing derivative works and in violation of the Copyright Act, the Digital Millennium Copyright Act, and California state laws.

Comedian Sarah Silverman and authors Richard Kadrey and Christopher Golden have each filed a similar class action suit against both <u>Meta</u> and <u>OpenAI</u>. The class action suits allege similar copyright violations due to use of copyrighted material as training data for large language models.

### **State Action**

#### State Attorneys General Call for Transparency in Al Policies

On June 12, 2023, 23 state attorneys general (AGs) submitted a <u>letter</u> in response to NTIA's request for comments regarding appropriate standards and oversight for AI regulation. The coalition of AGs recommended that the NTIA "create independent standards that require transparency about the use of AI." The letter also suggests that companies perform impact assessments of AI systems to assess risks of consumer harm and discrimination. The letter highlights the need for federal legislation in protecting data privacy when collected by AI systems, and requests that AGs have concurrent enforcement of any federal action on AI "to maximize enforcement resources."

The coalition is comprised of the attorneys general of: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Illinois, Maine, Minnesota, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, the U.S. Virgin Islands, Vermont and Virginia.

#### Connecticut

On June 7, 2023, Gov. Ned Lamont signed <u>Senate Bill 1103</u> into law. The measure establishes an Office of Artificial Intelligence, as well as a task force to study AI and develop an AI bill of rights. The law also requires the Department of Administrative Services to inventory AI systems in use by any state agency by December 31, 2023.

#### **New York**

On June 6, 2023, the New York State Assembly unanimously passed <u>Senate Bill</u> 1042, sending the bill to the Senate. The bill, introduced by Sens. Hinchey, Comrie and Skoufis, expands the coverage of revenge porn laws to include the dissemination of sexually explicit and reasonably identifiable images created by generative AI without a person's consent.

#### **New Jersey**

On June 5, 2023, Sen. Doug Steinhardt <u>introduced Senate Bill 3926</u>, which would expand New Jersey's identity theft law to penalize fraudulent impersonation through the use of AI or deepfake technology. Persons that violate this law by using computer software to falsely depict another for pecuniary gain may be subject to criminal liability from the fourth to the second degree, depending on the extent of the fraud and benefits received.

#### Pennsylvania

In June, Reps. Robert Merski and Chris Pielli introduced a series of proposed bills addressing Al.

- House Bill 1373 would define and penalize the unauthorized dissemination of artificially-generated impersonations or deepfakes. The legislation will make it a first-degree misdemeanor for a person to disseminate an AI or computer-generated impersonation of an individual that they know, or have reason to know, is an AI or computer-generated impersonation, without the consent of that individual. Further, if the dissemination is done with the intent to defraud or injure another person, the offense would be graded as a third-degree felony.
- <u>Forthcoming legislation</u>, also sponsored by Rep. Jennifer O'Mara, would require a disclosure on all Al-generated content. The proposal follows previous efforts by Rep. Mercuri to <u>authorize</u> an Al registry that would require firms creating software containing algorithmic logic to disclose that fact to the state.
- Reps. Merski and Pielli have <u>announced</u> plans to introduce a House companion to Sen.
  John Kane's bill directing the Joint State Government Commission to create an advisory
  committee on AI.

#### **Texas**

On June 12, 2023, Gov. Greg Abbott <u>signed House Bill 2060</u> into law, establishing the Artificial Intelligence Advisory Council. The Council aims to position Texas "as the leading destination for next generation technology in the country." The Council will study and monitor AI technology developed, employed or procured by Texas state agencies. In addition, the Council will analyze the need for a state code of ethics for the use of AI in state government, review autonomous decision systems for benefits and risks, and provide

recommendations for administrative actions for state agencies. The Council will be comprised of seven members: a member from the House of Representatives appointed by the Speaker; a member from the Senate appointed by the Lieutenant Governor, a designated executor director, and four members appointed by the Governor, including academic professionals specializing in ethics and AI, an expert in law enforcement, and an expert in constitutional and legal rights.

### **International Developments**



On June 14, 2023, the European Parliament overwhelmingly adopted its formal negotiation position on the EU AI Act, paving the way for talks with the Council of the European Union (EU) and the European Commission (EC) to finalize the law. The final text of the landmark proposal includes several provisions that deviate from the Council and Commission's proposals. First, the Parliament's text bans the use of certain remote biometric identification and classification systems, predictive policing, and "emotion recognition systems" which are not identified in the other two bodies' proposals. France in particular has come out in favor of using facial recognition in policing. Second, the draft is the first to propose requiring providers of foundation models to "document and make publicly available" summaries of their "use of training data protected under copyright law", and it requires content created by AI to be labeled as AI-generated. Finally, the draft places AIdriven recommender systems (along with certain other applications) in a "high risk" category that includes stricter transparency, disclosure and oversight requirements, a deviation from the other bodies' drafts. Negotiations on these deviations are likely to be contentious, and it is unlikely that the law will be finalized and passed before January 2024, with entry into force even later.

#### Stanford Study on Proposed EU AI Act Compliance

Relatedly, on June 15, 2023, a Stanford study was published finding that leading Al foundation model providers "largely do not" currently comply with the draft European Parliament Al Act. The study found that, in contravention to the draft Act's proposed requirements, foundation model providers currently "rarely disclose adequate information regarding the data, compute, and deployment of their models as well as the key characteristics of the models themselves" and that they "generally do not comply with draft requirements to describe the use of copyrighted training data, the hardware used and emissions produced in training, and how they evaluate and test models[.]" However, the EU Al Act is not likely to come into force for at least two years.

#### France Seeks to Become Europe's Premier Al Hub

On June 14, 2023, French President Emmanuel Macron made clear that he wanted France to become Europe's premier AI hub. Speaking to the press at France's annual technology conference, VivaTech, President Macron stated that "we are number one [in AI] in continental Europe, and we have to accelerate[.]" While he conceded that "the U.S. is number one, for good reason because it is a huge domestic market . . . I want us to clearly bridge the gap and invest much more, develop much more and accelerate much more." In particular, he noted that he wanted France to develop two to three "big global players" in AI.

On June 8, 2023, the United States and the United Kingdom signed the Atlantic Declaration: A Framework for a Twenty-First Century U.S.-UK Economic Partnership. The Declaration highlights the need for collaboration regarding "critical and emerging technologies," including AI. To this end, the United Kingdom will host the first Global Summit on AI Safety, which "will bring together key countries, as well as leading technology companies and researchers" to evaluate and explore risks and opportunities of AI and its applications. In addition, the United States and the United Kingdom will also launch a "Collaboration on Private Enhancing Technologies" intended to "maximize the responsible use of data." The effort will focus on investigating data privacy and responsible use of data by AI models.

#### PM Sunak Announces Cooperation with Al Companies

On June 12, 2023, U.K. Prime Minister Rishi Sunak gave a speech at London Tech Week. Among other things, Prime Minister Sunak announced £100 million in funding for AI safety research in the U.K., and that Google DeepMind, OpenAI and Anthropic have "committed to give early or priority access to models for research and safety purposes to help build better evaluations and help us better understand the opportunities and risks of these systems."

## **Industry Action**



In Google's <u>comments</u> submitted in response to NTIA's <u>AI Accountability Request for Comment</u>, the company outlined the need to divide oversight of AI tools across federal agencies instead of establishing a single regulator, while still having NIST issue technical guidance to agencies overseeing AI implementation.

In the Information Technology Industry Council's (ITI) <u>comments</u>, the group outlined the need to review existing laws and regulations and how they may be used to mitigate AI risks and identify gaps in policy before introducing new measures.

## Meta and Microsoft to Join Framework for Collective Action on Synthetic Media

Meta and Microsoft joined "Responsible Practices for <u>Synthetic Media</u>: A Framework for Collective Action," a coalition managed by the Partnership on AI (PAI). The effort was initially launched to create a guiding set of principles for creating, sharing and distributing synthetic or AI generated media.

# Meta Seeks Feedback on Governing Principles for Development of Generative AI Systems

On June 22, 2023, Meta <u>launched</u> a Community Forum to seek feedback on needed governing principles as the company develops generative AI systems to inform future product and policy considerations. The forum will be held in consultation with Stanford's Deliberative Democracy Lab and the U.K.-based Behavioural Insights Team (BIT).

#### Coalition Urges Greater Small Business Representation in Al Discussions

Chamber of Progress, Engine Advocacy and the Small Business & Entrepreneurship Council recently sent a joint letter to congressional leadership outlining the need for greater small business representation on witness panels for congressional AI hearings and in one-on-one meetings.

#### OpenAl Will Grant Funding for Cybersecurity Projects

On June 1, 2023, OpenAI <u>announced</u> a \$1 million grant program aiming to "facilitate the development of AI-powered cybersecurity capabilities for defenders." Grants of \$10,000 are available for proposals focusing on a defensive approach to cybersecurity, with prioritization for proposals intended to be licensed or "distributed for maximal public benefit and sharing."

#### McKinsey Reports on Economic Potential of Generative Al

McKinsey & Co. released a comprehensive <u>report</u> on the economic potential of generative AI in business. The report emphasizes that generative AI has the potential to "add trillions of dollars in value to the global economy," with models ranging from \$2.6 to \$4.4 trillion. Though generative AI would likely have "significant impact across all industry sectors," much of the value was predicted to come from customer operations, marketing and sales, software engineering and research & development. The report estimates that generative AI currently could automate 60 to 70% of a given employee's work activities and substantially increase labor productivity, given future investment and training.

## Akin Thought Leadership

For Export Controls on AI, Don't Forget the "Catch-All" Basics - Emily S. Weinstein and Kevin Wolf (July 5, 2023)

Akin's Garrod, Arlington, Gleeson Pen Article for Law360 on UK Proposals for AI (May 12, 2023)

<u>UK CMA Review of Competition and Consumer Protection Considerations in Artificial Intelligence Foundation Models</u> (May 9, 2023)

<u>ONC Proposes Sweeping Health IT Certification Program Requirements for "Predictive Decision Support Interventions"—Featuring FDA-Like Standards</u> (May 8, 2023)

<u>LaborSpeak: Update on Sexual Harassment and AI Laws Affecting New York Employers (May 8, 2023)</u>

<u>Federal AI Developments: Leader Schumer Unveils AI Legislative Framework, Reintroduction of AI for National Security Act and FTC Interest</u> (April 25, 2023)

<u>UK Government Proposes New Al Regulatory Regime</u> (April 14, 2023)

FDA Gets Digital, Agency Issues Digital Health Policies on PCCP, Cybersecurity and Drug Development (April 4, 2023)

### Akin Insights

Al Regulations in Employment Decisions (June 27, 2023)

Senate Majority Leader Schumer Continues Push for Al Framework (June 23, 2023)

Al Risk Matrix for Private Funds (June 12, 2023)

Akin Intelligence - June Newsletter (June 7, 2023)

Akin Intelligence - May Newsletter (May 1, 2023)



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#### Questions?

If you have any questions please contact your regular Akin Gump lawyer or adviors or:



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