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INNOVATION ECONOMY

1420 New York Avenue NW, Suite 825
Washington, D.C. 20005
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The Honorable Cathy McMorris Rodgers
Chair
House Committee on Energy
and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member
House Committee on Energy
and Commerce
2322A Rayburn House Office Building
Washington, D.C. 20515

Dear Chair McMorris Rodgers and Ranking Member Pallone:

In advance of tomorrow's House Committee on Energy and Commerce hearing titled "Leveraging Agency Expertise to Foster American AI Leadership and Innovation," we commend the Committee's ongoing efforts to examine the role of Artificial Intelligence (AI) across various sectors of the economy. We urge the Committee to continue its efforts to craft a comprehensive federal data privacy law, ensure effective oversight of the National Institute of Standards and Technology (NIST), and advance policies that ensure America retains its global leadership in AI for years to come.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.2 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

According to a study by the Information Technology & Innovation Foundation (ITIF), failing to pass a federal data privacy law will cost our economy more than \$1 trillion over ten years, with \$200 billion being paid by small businesses.¹ Thirteen states have passed comprehensive privacy laws, including eight states just this year. This follows a growing trend and compounds understandable confusion among consumers and unpredictability among businesses with each passing year. Since 2018, 183 comprehensive privacy bills have been considered across 46 states.

With growing interest in Congress to promote America's leadership in the development and deployment of AI and continued support for data privacy protections, now is the time for Congress to enact a comprehensive federal data privacy and security law. Many of the issues that Congress is exploring in the AI space are fundamentally questions of data policy. Congress can address these issues and provide clarity to consumers and businesses alike

¹ Information Technology and Innovation Foundation. "50-State Patchwork of Privacy Laws Could Cost \$1 Trillion More Than a Single Federal Law, New ITIF Report Finds." January 24, 2022.
<https://itif.org/publications/2022/01/24/50-state-patchwork-privacy-laws-could-cost-1-trillion-more-single-federal/>.

through a preemptive federal data privacy bill while it continues to evaluate the best way forward on issues unique to the development and deployment of AI models.

TechNet has been closely monitoring AI policy updates within the Department of Commerce and looks forward to reviewing their public testimony. The Department of Commerce oversees the National Institute of Standards and Technology (NIST), which is the sole government agency with an explicit mission to enhance industrial competitiveness in the United States. Earlier this year, NIST released its AI Risk Management Framework, which supports AI developers and other stakeholders by providing a risk-based, voluntary approach to incorporating trustworthiness and accountability benchmarks into the entire lifecycle of an AI system. TechNet appreciates NIST's launch of the Trustworthy and Responsible AI Resource Center to support AI developers and users in implementing the AI RMF and the development of trustworthy and responsible AI technologies. NIST also recently announced plans to convene a public working group on generative AI that will further these important objectives.²

We note that NIST has been receiving an exponentially increasing workload with regard to AI, most notably with President Biden's recent executive order on "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence."³ We support efforts to ensure NIST has the necessary funding and resources to accomplish the important tasks assigned to them. We also encourage the Committee to explore how NIST will be prioritizing tasks in its increasing workload.

Earlier this year, TechNet developed a comprehensive [Federal AI Policy Framework](#) to assist policymakers as they consider new AI regulations.⁴ This comprehensive policy framework comprises five distinct sections, each addressing critical facets of this evolving ecosystem. From deploying risk-based regulations to fostering responsible AI evaluations, mitigating potential bias, securing advanced systems, and building a resilient innovation workforce, our recommendations are the result of collective expertise and commitment to shaping a forward-looking, prosperous future for our nation. We encourage you to consider this framework as the Committee begins to review AI policy proposals.

Thank you for convening this hearing to examine ways that federal agencies are researching, deploying, and regulating AI technologies. Please do not hesitate to reach out if we can be a resource on this issue or if you have any questions. I can be reached at cholshouser@technet.org or (210) 286-6276.

Sincerely,



Carl Holshouser
Executive Vice President and Corporate Secretary

² National Institute of Standards and Technology. "Biden-Harris Administration Announces New NIST Public Working Group on AI." June 22, 2023. <https://www.nist.gov/news-events/news/2023/06/biden-harris-administration-announces-new-nist-public-working-group-ai>.

³ Exec. Order No. 14,110, 88 Fed Reg. 75191 (Oct. 30, 2023).

⁴ <https://www.technet.org/media/technet-announces-federal-ai-policy-framework-that-recommends-effective-safeguards-for-consumers-ensures-u-s-remains-the-global-ai-leader/>