



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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October 31, 2024

The Honorable Mike Johnson (R-LA)
Speaker
U.S. House of Representatives
568 Cannon House Office Building
Washington DC 20515

The Honorable Chuck Schumer (D-NY)
Majority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Hakeem Jeffries (D-NY)
Minority Leader
U.S. House of Representatives
2433 Rayburn House Office Building
Washington, DC 20515

The Honorable Mitch McConnell (R-KY)
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Dear Leader Schumer, Speaker Johnson, Leader McConnell, and Leader Jeffries:

In advance of the lame duck session, TechNet is writing to highlight our critical artificial intelligence (AI) policy priorities for consideration by the 118th Congress before the end of the year. Congress has been highly active in AI policy, and TechNet has monitored over 150 bill introductions on AI. We appreciate the leadership and efforts of the Senate AI Working Group and the House AI Taskforce in garnering insights from academia, civil society, and industry on the potential impacts of this emerging technology. TechNet's members include many of the world's leading AI developers, deployers, researchers, and users. We appreciate your consideration of our perspective as you work on finalizing priorities for the end of the 118th Congress.

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 4.5 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.

Importance of a Cohesive Federal Artificial Intelligence Governance Strategy

Federal Preemption

The rapid advancement of AI technologies has outpaced federal regulatory frameworks, leading to an increasingly fragmented approach across states. In

2023, TechNet tracked 69 AI bills across all 50 states and Puerto Rico. As of October 31, 2024, TechNet is tracking 473 statehouse bills, with the number expected to rise in 2025. The growing patchwork of state-level AI regulations could create significant compliance burdens for businesses operating across state lines. This patchwork could stifle the pace of innovation as companies are forced to spend more resources on legal conformity across jurisdictions instead of being able to use those resources to craft novel solutions and compete in the global AI market.

A cohesive federal AI governance strategy must include full federal preemption, which would address the burdens posed by a state-level patchwork that will have a chilling effect on America's global AI leadership. Regulatory consistency is essential for enabling long-term strategic planning and investment in the U.S. AI market, which is expected to reach \$826 billion by 2030.¹ If regulations across state jurisdictions continue to change and multiply, businesses will not be able to adequately define and adhere to their long-term objectives. A patchwork of state laws would be particularly detrimental for small businesses, which, unlike their larger competitors, often lack the legal and compliance resources to manage excessive regulatory burdens. A single federal standard would help to maintain a level playing field and allow startups and young, innovative companies to compete. In addition, clear guidelines for implementation will accelerate the pace of R&D initiatives and committed deployment, ultimately maintaining U.S. competitiveness in the global AI race.

Consistent Responsibilities and Definitions

We urge Congress to standardize terminology across AI-related legislation to ensure consistency and prevent misinterpretation. For example, several proposals being considered for end-of-year movement utilize different definitions for AI when they appear to be targeting similar types of systems. We advise Congress to offer technically correct, feasible, and nuanced definitions for key terms and roles within the AI value chain in accordance with existing law and emerging industry standards. Congress should avoid overly broad definitions or designations that lead to uncertainty of who or what is affected, such as those that use "including but not limited to..." and instead adopt context-specific definitions that accurately address the diverse characteristics of AI applications, ensuring clarity on what is affected without encompassing common technologies or processes.

It is imperative to clearly delineate responsibilities within the AI ecosystem so that each party understands their legal obligations. These responsibilities should be tailored to each entity's technical limitations. This clarification will be essential for organizations to understand their obligations and allow them to optimize their services while remaining regulatorily compliant. Well-defined responsibilities will encourage proactive risk assessment and harm mitigation at each stage of the AI lifecycle. Establishing this clear structure will enable more effective collaboration

¹ <https://www.statista.com/outlook/tmo/artificial-intelligence/worldwide#market-size>

among stakeholders, driving innovation while safeguarding against the risks associated with AI deployment.

AI-Ready Government Data

As American companies continue to lead in global AI innovation, TechNet supports the federal government's efforts to develop "AI-Ready Data." As we move to greater deployment of AI systems for government use, ensuring federal data is consistently well-organized will allow the U.S. government to deploy modern tools to deliver faster, cost-effective, and more accurate insights for the American people. We also advise the government to develop best practices for long-term data management.

TechNet appreciates the ongoing work of the Department of Commerce's AI and Open Government Data Assets Working Group to develop guidelines for publishing Commerce data that emerging AI technologies can utilize for research and development.² We encourage Congress to support expanded efforts to release public datasets to spur greater development of AI technologies to advance the delivery of government services.

Key TechNet-Endorsed Legislation

TechNet supports codifying the U.S. AI Safety Institute (AISI) within NIST before the end of the 118th Congress and believes its work should be focused on advancing measurement science for assessing AI models. The establishment of the AISI is critical to maintaining U.S. global leadership on AI policy. TechNet has been monitoring efforts from the UK AI Safety Institute, the enactment of the EU AI Act, and Singapore's National AI Strategy. By solidifying the AISI, we can make sure our nation's measurement science experts are well-positioned to advocate in these important forums for the advancement and adoption of American standards. Formal codification will ensure long-term stability for the AISI and establish America as the leader in setting international AI standards while maintaining appropriate Congressional oversight. In support of these objectives, TechNet has endorsed both the *Future of AI Innovation Act* and the *AI Advancement and Reliability Act*.

TechNet also supports two key bipartisan, bicameral bills that have cleared their respective committees of jurisdiction. The *NSF AI Education Act* would provide scholarship programs to increase AI education access and would develop robust AI education models to prepare educators and the workforce for the future. The *CREATE AI Act* would lower barriers to entry for AI research, spur innovation from diverse perspectives, and enhance U.S. competitiveness in AI research. We believe both of these bills will be crucial to bolstering U.S. leadership in the AI arena and fostering a robust domestic AI ecosystem.

Conclusion

² <https://www.commerce.gov/news/blog/2024/01/preparing-open-data-age-ai>

The 118th Congress has been very active on AI policy, holding over 45 hearings examining different implications of AI, from improvements for agriculture to better deployment of veterans' services. Given the rapid pace of AI development and global competition, the actions outlined in this letter are urgent to preserve and extend American AI leadership. The strategic decisions made now will significantly shape the landscape of AI technologies and their impact on American society and our economy.

TechNet stands ready to serve as a resource in these critical efforts. We are committed to collaborating closely with policymakers to help shape a future where AI technologies benefit all Americans.

Sincerely,

A handwritten signature in black ink that reads "Carl Holshouser". The signature is written in a cursive, flowing style.

Carl Holshouser
Executive Vice President