Written Statement of

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Thank you, Chairwoman Mace, Ranking Member Connelly and members of the Committee for holding this hearing on the Government's policies on Artificial Intelligence.

My name is Ross Nodurft. I am the Executive Director of the Alliance for Digital Innovation (ADI), a coalition of innovative, commercial companies whose mission is to bring IT modernization and emerging technologies to government. ADI engages with policy makers and thought leaders to break down bureaucratic, institutional, and cultural barriers to change and enable government access to secure, modern technology that can empower a truly digital government.

ADI focuses on four key areas in our public sector advocacy efforts – accelerating technology modernization in government, enabling acquisition policies that facilitate greater use of innovative technologies, promoting cybersecurity initiatives to better protect the public and private sectors, and improving the public sector's technology workforce. Each of these areas must work closely with each other to allow for government mission owners and technology providers to partner with industry to build a modern, digital government.

My experience prior to taking on the role of executive director for ADI includes both operational and strategic roles in the government and the private sector focused on technology and cybersecurity policy and operations. More specific to today's discussion, I led the Office of Management and Budget's (OMB) Cybersecurity team, reporting to the Federal CISO and CIO. . Since leaving government, I have worked closely with many companies across many different

industry sectors to build, expand, and institutionalize their approaches to modern technology including cloud services, cybersecurity products, and now artificial intelligence tools.

As the Executive Director of ADI, I represent leading technology, artificial intelligence, quantum computing, cybersecurity and professional services providers to the public sector. The technologies and services provided by our member companies underpin the federal government's modernization efforts and provide the backbone for many agencies' adoption of modern technology including artificial intelligence. Given the roles that many of our member companies play in the federal technology ecosystem, ADI appreciates the committee's focus on this important topic.

As you have noted, the White House recently released an Executive Order and a draft Office of Management and Budget (OMB) memo meant to create a framework for the safe and secure development, adoption, and use of artificial intelligence technologies across our nation. Given our organization's focus on the impacts to the public sector, my testimony today will focus on Section 10 of the Executive Order and the draft OMB memo that was released last month.

Overall, ADI is supportive of any legislative or Administration policy that promotes the adoption and use of modern, cloud-based, commercial technology to increase the pace of government mission delivery. ADI also is very supportive of OMB's outreach to industry to solicit comments and feedback on its draft memo, although the short turnaround time is limiting the amount of thoughtful and constructive feedback from industry. The rushed nature of the response means

OMB will be finalizing its guidance to agencies without the full benefit of insights from the industry partners that are developing and deploying AI capabilities, which is concerning given the importance of the topic. Throughout both the executive order and in the draft OMB memo, the Administration calls for agencies to find ways to leverage artificial intelligence where appropriate. At the same time, the draft OMB guidance mandates that agencies institute practices, governance frameworks, processes and various procedures that have the potential to both slow down adoption of AI technology and limit the size of the commercial marketplace that offers AI.

ADI believes that there are several important areas where the Administration should clarify or update guidance to enable agencies to access and leverage the most modern advances commercial AI can provide.   These include:

- *The OMB Memo Could Inadvertently Keep Innovative Businesses Away from the Public Sector Market* –In the OMB memo, many of the processes for determining the risk associated with the use of various AI tools and technologies or even the ability to leverage those technologies are governed by the newly appointed Chief AI Officers (CAIOs). Without additional guidance, OMB will create fractured and uneven series of new processes across departments and agencies that will deter many companies – including small and midsized technology companies – from working with the federal government. This will limit the government's access to innovative technology. While there are some processes for determining risk that should be specific to each use case, there are several steps OMB can make the risk determinations consistent across

departments and agencies. For example, (1) OMB's memo should provide additional specificity about various trigger mechanisms for determining which technologies are considered rights-impacting or safety-impacting; (2) it should create a repository for reuse of various product or testing documents; and (3) it should look at certain use cases – like cybersecurity – to call out as neither rights nor safety impacting, proactively exempting those products and services from the minimum requirements outlined in the memo. Changes like these will help standardize CAIO approaches to risk decisions and make it easier for innovative AI companies to participate across the federal marketplace.

- *Using Current Governance Processes for AI* – The AI Executive Order and the draft OMB memo require agencies to publicly post plans to comply with the EO six months after publication. The OMB memo then gives agencies one year to develop and publish a plan to remove barriers to AI use and advance AI maturity. We believe it is important to make sure agencies fully understand how the new OMB guidance fits into the current governance processes while updating those processes to remove barriers and allow for AI adoption. We cannot have agencies trying to implement the new processes without having fully considered how they fit into their current technology and security governance regimes and how to optimize those governance processes to enable AI adoption. This would lead to a patchwork of requirements that will make it difficult for the private sector to engage – especially smaller companies. Therefore, we strongly encourage the Administration provide agencies with enough time to optimize their

plans for adoption and use of AI leveraging current governance processes before providing plans to comply with the executive order.

- *Prioritization of specific AI use cases* – AI technology is not new. It has been around in many forms for many years. There is no specific prioritization provided for the types of technologies to be considered by agencies for adoption of the minimum requirements for safety or rights impacting AI systems. ADI believes that OMB must help agencies prioritize governance processes that focuses on delivery of new AI or generative AI capabilities and to distinguish those from existing AI and machine learning processes already being leveraged at agencies.

- *Refined Definitions and Trigger Mechanisms for Rights or Safety Impacting Systems* – The OMB draft memorandum currently lists categories of infrastructure or processes that – if AI were misused – may lead to impact to citizens safety or rights. ADI believes that these categories do not adequately define the risks associated with these categories, leaving the reader to imagine catastrophic circumstances if AI is used. ADI recommends further refining the safety and rights impacting definitions to delineate harms associated with the categories, to assist federal agencies with understanding what some of the risks may look like. Examples for safety impacting would be loss of life or serious physical harm while rights-impacting examples could be tied to harms that are currently protected by existing laws such as non-discrimination and consumer protection. In addition to further defining the risks, ADI believes that OMB must better define the term "meaningful impact" which acts as the trigger mechanism for such harms.

- *Clarify Data ownership and focus on outcome-based testing* – there are several sections in the OMB memo that reference training or model data and elements. When discussing transparency and data, OMB should make sure to clearly state that company data and other proprietary or personal information does not have to be disclosed to the government for review. Additionally, OMB should clarify that "assessing the quality and appropriateness of relevant data" does not mean reviewing the underlying training data when reviewing AI systems but instead allows for a summary description of the characteristics of the training/design data will meet the requirement. If OMB wants agencies to be able to understand how models are developed, then ADI recommends that OMB focus on model testing, known limitations, guidelines for intended use, and example performance results of the model.

Thank you, again, to the committee, for the opportunity to discuss this important topic. I look forward to your questions.