

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr

Innovation, Data, and Commerce Subcommittee Hearing on “Safeguarding Data and Innovation: Building the Foundation for the Use of Artificial Intelligence”
October 18, 2023

Let me just say that despite what the Chairwoman says, I’m very concerned about what we can actually accomplish if this paralysis with the Speakership continues. It is now day 16 of the House being paralyzed without a Speaker, and we are 30 days away from another potential government shutdown. This hearing comes at a time when House Republicans’ dysfunction is hurting the American people, weakening our economy, and undermining our national security, in my opinion.

All year, House Republicans have caved to the extreme elements in their party who have no interest in governing. They have forced severe cuts to critical federal programs in spite of a funding agreement between the former Speaker and President Biden. And they came close to a government shutdown that would have cost our national economy upwards of \$13 billion a week and forced our troops to work without pay.

And I just think the American people deserve better. Democrats have repeatedly stopped this chaos and dysfunction from hurting everyday Americans, but it is long past time for House Republicans to reject the extremists in their party. We should be working together to lower costs for American families and to grow our economy and the middle-class. It is time for the chaos to end.

Last year, now-Chair Rodgers and I were able to work across the aisle and pass the American Data Privacy and Protection Act out of Committee by a vote of 53 to 2. That legislation included many important provisions, including provisions focused on data minimization and algorithmic accountability. Clearly defined rules are critical to protect consumers from existing harmful data collection practices, and to safeguard them from the growing privacy threat that AI models pose.

I strongly believe that the bedrock of any AI regulation must be privacy legislation that includes data minimization and algorithmic accountability principles. Simply continuing to provide consumers with only “notice and consent” rights is wholly insufficient in today’s modern digital age.

October 18, 2023

Page 2

Artificial Intelligence is certainly not new. However, the speed at which we are witnessing the deployment of generative AI is staggering, and the effects it will have on our everyday lives are tremendous. There has been an explosion of AI systems and tools that answer consumers' questions, draft documents, make hiring decisions, influence the way patients are diagnosed, and make employment and housing decisions. Many of these systems are trained on massive amounts of data Big Tech has collected on all of us. And that's why the lack of nationwide protections around what data companies can collect, sell, and use to train these AI systems should concern every American.

Since sufficient guardrails do not exist for American's data and AI systems, we are unfortunately hearing of a growing number of reports of harmful impacts from the use of AI systems. This has included the creation of deep fakes, leaking of personal data and algorithmic-driven discrimination.

There have been instances where AI has been used to mimic real people's voices to convince consumers to send money to someone they think is a friend or relative. Chatbots have leaked medical records and personal information. And AI systems have discriminated against female candidates for jobs and people of color in the housing market. This is all extremely concerning. We cannot continue to allow companies to develop and deploy systems that misuse and leak personal data and exacerbate discrimination. That is why we must make sure developers are running every test they can to mitigate risks before their AI models are deployed.

Congress must also continue to encourage agencies like the Federal Trade Commission (FTC) to enforce the laws they already have on the books. I commend the FTC for their work to fight scammers who have turned to new AI tools, like the ones that mimic the voice of a friend or loved one in order to trick consumers out of their life savings. We must continue to fully fund these agencies as technology continues to advance and the threats to consumers continue to grow.

I will also continue to push for a comprehensive, national federal privacy standard. It is the only way we can limit the aggressive and abusive data collection practices of Big Tech and data brokers, ensure our children's sensitive information is protected online, protect against algorithmic bias, and put consumers back in control of their data.