Negative: The Algorithmic Accountability Act

By David W. Helton

***Resolved: The United States federal government substantially reform the use of Artificial Intelligence technology***

The case against passing the Algorithmic Accountability Act (AAA). The AAA requires large companies to audit their own AI systems, or use outside auditing firms to do so. The bill uses the Federal Trade Commission (FTC) to oversee these audits. It’s important to note that the FTC is already taking action against biased AI under existing laws, which begs the question do we need to give them more authority in order to stop bias? But with so many companies being required to conduct audits, there won’t be enough external auditors to go around. There are only ten to twenty reputable algorithmic auditing firms, and many companies may not have the capability to audit their own algorithms. Additionally, there’s no guarantee that these audits will actually identify problems in the algorithms, which means an audit might just end up certifying bias in AI. Finally, imposing such broad regulations will harm the development of AI and lawmakers should concentrate on more targeted restrictions.

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Negative: the Algorithmic Accountability Act

INHERENCY

1. Corporate policies

Companies can already use algorithmic audits and interest is growing because they have incentive to do it

Prof. Alex Engler 2021(Fellow in Governance Studies at The Brookings Institution, where he specializes in artificial intelligence; teaches classes on data science and visualization at Georgetown’s McCourt School of Public Policy, where he is an adjunct professor and affiliated scholar. MA in Public Policy from Georgetown Univ and MA of Science in Predictive Analytics from Northwestern Univ. March 12, 2021 “Auditing employment algorithms for discrimination” <https://www.brookings./research/auditing-employment-algorithms-for-discrimination/>(Accessed 6 July 2021)

There is a growing interest in the role of algorithmic audits in response to concerns about bias in algorithmic systems. In an algorithmic audit, an independent party may evaluate an algorithmic system for bias, but also accuracy, robustness, interpretability, privacy characteristics, and other unintended consequences. The audit would identify problems and suggest improvements or alternatives to the developers. Beyond improving systems, algorithmic auditing can also help to build consumer and client trust if its results are made public. A cottage industry has arisen around this idea, including firms that specialize in algorithmic auditing, such as O’Neil Risk Consulting & Algorithmic Auditing (ORCAA) and Parity AI, and other companies focused on algorithmic monitoring, such as Fiddler, Arthur, and Weights & Biases.

Companies are taking action to remove AI bias

Alex Hickey 2018 (Associate editor for the CIO Dive publication. At Industry Dive; specializes in IT infrastructure and future tech. She has also worked as a Research Assistant for the Miller Center of Public Affairs. BA in Foreign Affairs from the Univ of Virginia.) September 21, 2018 “Big tech is rolling out tools to counter AI bias. Is it enough?”<https://www.ciodive.com/news/big-tech-is-rolling-out-tools-to-counter-ai-bias-is-it-enough/532870/> (Accessed 6 July 2021)

Other big tech companies are working on the bias in AI issue too. Microsoft is building a tool to detect algorithmic bias, and in May Facebook launched its bias tool, Fairness Flow, which assesses how the company's algorithms treat groups of people, reports MIT Technology Review.

Companies are already seeking to solve employment discrimination

Zoe Rohrich 2019 (Associate Producer at PBS NewsHour. She holds a BA in Written Arts from Bard College. November 26, 2019 “Why these companies are rethinking the use of AI in hiring” <https://www.pbs.org/newshour/world/agents-for-change/why-these-companies-are-rethinking-the-use-of-ai-in-hiring> (Accessed 10 July 2021)

A growing body of research indicates that artificial intelligence systems used for job recruitment, which have become increasingly common, reinforce racial and gender inequality. Now, innovators are hoping to spur a kind of course correction by developing software that promises more accountability, and combats — rather than perpetuates — employment discrimination.

2. The Federal Trade Commission (FTC) and Status Quo laws

The FTC is already combating bias in AI algorithms  under existing law

K.C. Halm and Nancy Libin 2021 (Halm – attorney; Partner and advisor at Davis Wright Tremaine LLP. Formerly worked as a Clerk with the U.S. Senate Committee on Finance. JD from American Univ. Libin – attorney; co-chair of DWT's technology, communications, privacy and security practice; former chief privacy and civil liberties officer of the U.S. Dept of Justice. JD from the Georgetown Univ Law Center) April 26, 2021 “FTC Warns of Greater Scrutiny Over Biased AI, Offers Best Practices to Mitigate Potential Harm” <https://www.dwt.com/blogs/artificial-intelligence-law-advisor/2021/04/ftc-ai-bias-best-practices-guidance> (Accessed 6 July 2021) (brackets in original)

Building on prior guidance issued in 2020, the Federal Trade Commission (FTC) recently warned in a new blog post that it will use its authority under existing laws to take enforcement action against companies that sell or use algorithms or artificial intelligence (AI) technology that results in discrimination by race or other legally protected classes. The agency urged companies developing or using AI to ensure their AI tools or applications do not result in biased outcomes because a failure to do so may result in "deception, discrimination—and an FTC [] enforcement action." The agency's latest pronouncement leaves no doubt that the FTC will be actively reviewing the market for potential bias or discrimination when AI-enabled applications and services are used to provide access to housing, credit, finance, insurance, or other important services.

FTC is serious about AI algorithms

K.C. Halm and Nancy Libin 2021 (Halm – attorney; Partner and advisor at Davis Wright Tremaine LLP. Formerly worked as a Clerk with the U.S. Senate Committee on Finance. JD from American Univ. Libin – attorney; co-chair of DWT's technology, communications, privacy and security practice; former chief privacy and civil liberties officer of the U.S. Dept of Justice. JD from the Georgetown Univ Law Center) April 26, 2021 “FTC Warns of Greater Scrutiny Over Biased AI, Offers Best Practices to Mitigate Potential Harm” <https://www.dwt.com/blogs/artificial-intelligence-law-advisor/2021/04/ftc-ai-bias-best-practices-guidance> (Accessed 6 July 2021)

The FTC's warning demonstrates that the agency is serious about holding businesses accountable for using biased AI or for making promises that the technology cannot deliver. Companies must keep their practices grounded in established FTC consumer protection principles as the agency is likely to take a stronger stance on harmful, biased, and unfair uses of AI.

Existing laws are sufficient for the FTC to take action, and they will

Glenn Gow 2021 (contributor at the CFO Network. He was founder and CEO of Crimson Consulting Group, which specializes in helping large tech companies launch new products. MBA from Harvard Business School and a BSBA in Quantitative Management from Univ of Florida. May 30, 2021 “Consumer Protection and AI—7 Expert Tips To Stay Out Of Trouble” <https://www.forbes.com/sites/glenngow/2021/05/30/the-ftc-discrimination-warning-on-ai7-expert-tips-to-stay-out-of-trouble/?sh=465e84af68fe> (Accessed 16 June 2021)

In a recent blog post, the FTC has warned companies that they have sufficient laws to enforce truth, fairness, and equity when enforcing the developers and users of AI. The FTC essentially says that companies need to hold themselves accountable for their AI, or the FTC will take enforcement action against them.

Example of the FTC taking action against biased AI: Everalbum

K.C. Halm and Nancy Libin 2021 (Halm – attorney; Partner and advisor at Davis Wright Tremaine LLP. Formerly worked as a Clerk with the U.S. Senate Committee on Finance. JD from American Univ. Libin – attorney; co-chair of DWT's technology, communications, privacy and security practice; former chief privacy and civil liberties officer of the U.S. Dept of Justice. JD from the Georgetown Univ Law Center) April 26, 2021 “FTC Warns of Greater Scrutiny Over Biased AI, Offers Best Practices to Mitigate Potential Harm” <https://www.dwt.com/blogs/artificial-intelligence-law-advisor/2021/04/ftc-ai-bias-best-practices-guidance> (Accessed 6 July 2021)

In the recent enforcement case, the FTC alleged that Everalbum, an app developer that used photos uploaded by users to train its facial recognition technology, failed to properly obtain users' consent. The agency also alleged that Everalbum made false statements about the users' ability to delete their photos upon deactivating their accounts. On these facts, the FTC secured a settlement and consent decree that required Everalbum to delete algorithms that used the data obtained without consent—a remedy that is akin to the "fruit of the poisonous tree" concept—and obtain consent before using facial recognition technology on user content. The FTC's latest reaffirmation of its authority to act in this area demonstrates that the agency will hold businesses accountable for using AI that may result in biased outcomes or for making promises that the technology cannot deliver. Its message is clear: "Hold yourself accountable – or be ready for the FTC to do it for you."

Status Quo laws giving FTC authority to combat biased AI: Section 5, FCRA, ECOA

K.C. Halm and Nancy Libin 2021 (Halm – attorney; Partner and advisor at Davis Wright Tremaine LLP. Formerly worked as a Clerk with the U.S. Senate Committee on Finance. JD from American Univ. Libin – attorney; co-chair of DWT's technology, communications, privacy and security practice; former chief privacy and civil liberties officer of the U.S. Dept of Justice. JD from the Georgetown Univ Law Center) April 26, 2021 “FTC Warns of Greater Scrutiny Over Biased AI, Offers Best Practices to Mitigate Potential Harm” <https://www.dwt.com/blogs/artificial-intelligence-law-advisor/2021/04/ftc-ai-bias-best-practices-guidance> (Accessed 6 July 2021)

Three statutes provide the FTC significant authority to act in this area. Specifically, Section 5 of the FTC Act prohibits unfair or deceptive practices. The FTC's latest statement suggests that the agency believes it can use Section 5 authority, for example, to penalize entities selling or using "racially biased algorithms." Further, the agency also has authority to act under the Fair Credit Reporting Act (FCRA), which could be applied when an algorithm is used in a process that results in the denial of employment, housing, credit, insurance, or other benefits. Similarly, the Equal Credit Opportunity Act (ECOA)—which prohibits a company from using a biased algorithm that results in credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, or because a person receives public assistance—could be another basis for the agency to act. Thus, for example, if your algorithm results in credit discrimination against a protected class, you could find yourself facing a complaint alleging violations of the FTC Act and ECOA.

AI bias is new, but the FTC’s experience enables them to combat it – more specifics on: Section 5, FCRA, ECOA

Elisa Jillson 2021 (Attorney in the Division of Privacy and Identity Protection at the  Bureau of Consumer Protection of the Federal Trade Commission. JD from Univ. of Chicago Law School) April 19, 2021 “Aiming for truth, fairness, and equity in your company’s use of AI”<https://www.ftc.gov/news-events/blogs/business-blog/2021/04/aiming-truth-fairness-equity-your-companys-use-ai> (Accessed 7 July 2021)

The question, then, is how can we harness the benefits of AI without inadvertently introducing bias or other unfair outcomes? Fortunately, while the sophisticated technology may be new, the FTC’s attention to automated decision making is not. The FTC has decades of experience enforcing three laws important to developers and users of AI:
Section 5 of the FTC Act.
The FTC Act prohibits unfair or deceptive practices. That would include the sale or use of – for example – racially biased algorithms.
Fair Credit Reporting Act.

The FCRA comes into play in certain circumstances where an algorithm is used to deny people employment, housing, credit, insurance, or other benefits.

Equal Credit Opportunity Act.

The ECOA makes it illegal for a company to use a biased algorithm that results in credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, or because a person receives public assistance.
Among other things, the FTC has used its expertise with these laws to report on big data analytics and machine learning; to conduct a hearing on algorithms, AI and predictive analytics; and to issue business guidance on AI and algorithms. This work – coupled with FTC enforcement actions – offers important lessons on using AI truthfully, fairly, and equitably.

SIGNIFICANCE

1. A/T “Amazon employment discrimination scenario”

Employment discrimination algorithm was unique to Amazon – not widespread problem

Gabriel Boccara 2019 (Technology writer at Welcome to the Jungle. He previously worked as the Director of Development of Karma France. MBA from the ESSEC Business School. MA in Innovation from the ESCP Business School.)  July 2, 2019 “What if your recruiter were an algorithm?”) <https://www.welcometothejungle.com/en/articles/what-if-your-recruiter-were-an-algorithm> (Accessed 1 July 2021)

Predictive analytics discriminating against job applicants according to their gender is not an across-the-board problem; it was specific to Amazon and the algorithm they built. The most common error in AI, which is not unique to the world of recruitment, is the imitation effect.

Amazon stopped the program on their own

Jeffrey Dastin 2018 (Technology Correspondent at Reuters News Agency. He has also worked as a Legislative Intern at the United States Senate; BA in History from Yale Univ.) October 10, 2018 “Amazon scraps secret AI recruiting tool that showed bias against women”<https://www.reuters.com/article/us-amazon-com-jobs-automation-insight/amazon-scraps-secret-ai-recruiting-tool-that-showed-bias-against-women-idUSKCN1MK08G> (Accessed 6 June 2021)

Gender bias was not the only issue. Problems with the data that underpinned the models’ judgments meant that unqualified candidates were often recommended for all manner of jobs, the people said. With the technology returning results almost at random, Amazon shut down the project, they said.

2. Wrong target

Algorithms aren’t biased, data is.

Dr. Damini Gupta and Dr. T S Krishnan  2020 (Gupta, Ph.D. is the Associate Vice President and Lead (AI and Fintech) at Mphasis NEXT Labs in Bangalore, India. Heads the Ethical AI initiative at the labs and has a US patent for the AI solution that aggregates and analyzes data across multiple data sources. MBA from IIM Calcutta . Krishnan, Ph.D. is Senior Manager at Mphasis NEXT Labs in Bangalore, India. Ph.D. from IIM Bangalore in Production and Operations Management) 17 Nov 2020 “Algorithmic Bias: Why Bother?” <https://cmr.berkeley.edu/2020/11/algorithmic-bias/> (Accessed 1 July 2021)

Though “algorithmic bias” is the popular term, the foundation of such bias is not in algorithms. It is in data. Algorithms are not biased, data is! Algorithms learn the persistent patterns that are present in the training data. Multiple attributes of training data may make an AI algorithm biased. First, is due to bias present in the underlying data (decisions) used to train the AI algorithm. For example, if a judicial system is trained on historical judgements that are more unfavorable to Hispanics or Blacks, it will replicate the same and award harsher punishment to Hispanics and Blacks.

SOLVENCY

1. Coverage gaps

AAA doesn’t cover the majority of companies that use AI

Joshua New 2019 (Was formerly a senior policy analyst at the Center for Data Innovation. He has a background in government affairs, policy, and communication. Prior to joining the Center for Data Innovation, Joshua graduated from American University with degrees in C.L.E.G. (Communication, Legal Institutions, Economics, and Government) and Public Communication.) September 23, 2019 “How to Fix the Algorithmic Accountability Act”<https://datainnovation.org/2019/09/how-to-fix-the-algorithmic-accountability-act/> (Accessed 10 July 2021)

Third, the bill only applies to companies with over $50 million in revenue or that are in possession of data about 1 million consumers or consumer devices. It is unclear why these requirements should only apply to large or high-revenue companies. If a certain decision can be harmful to consumers and thus warrant greater regulatory oversight, then the size of companies making these decisions or the total number of their customers does not seem relevant. If there is a serious risk of harm, it makes little sense to exempt the majority of companies from compliance.

2. Useless audits

AI audits can be simply a Public Relations (PR) stunt

Alfred Ng 2021 (privacy and surveillance reporter for the Markup. He previously worked as a senior reporter for CNET, covering cybersecurity and privacy, and a reporter for New York Daily News) February 23, 2021 “Can Auditing Eliminate Bias from Algorithms?”) <https://themarkup.org/ask-the-markup/2021/02/23/can-auditing-eliminate-bias-from-algorithms>(Accessed 1 July 2021)

HireVue called in an auditing firm to help and in January touted the results of the audit in a press release. The audit found the software’s predictions ‘work as advertised with regard to fairness and bias issues,’ HireVue said in a press release, quoting the auditing firm it hired, O’Neil Risk Consulting & Algorithmic Auditing (ORCAA). But despite making changes to its process, including eliminating video from its interviews, HireVue was widely accused of using the audit — which looked narrowly at a hiring test for early career candidates, not HireVue’s candidate evaluation process as a whole — as a PR stunt. Articles in Fast Company, VentureBeat, and MIT Technology Review called out the company for mischaracterizing the audit.

Audits don’t do much other than provide good PR

Alfred Ng 2021 (A privacy and surveillance reporter for the Markup. He previously worked as a senior reporter for CNET, covering cybersecurity and privacy, and a reporter for the New York Daily News, covering police and crime. February 23, 2021 “Can Auditing Eliminate Bias from Algorithms?” <https://themarkup.org/ask-the-markup/2021/02/23/can-auditing-eliminate-bias-from-algorithms> (Accessed 27 2021)

The big question ever since: How do we solve this problem? Lawmakers and researchers have advocated for algorithmic audits, which would dissect and stress-test algorithms to see how they work and whether they’re performing their stated goals or producing biased outcomes. And there is a growing field of private auditing firms that purport to do just that. Increasingly, companies are turning to these firms to review their algorithms, particularly when they’ve faced criticism for biased outcomes, but it’s not clear whether such audits are actually making algorithms less biased — or if they’re simply good PR.

Definition of bias in auditing is too vague to mean anything. They’ll probably just end up endorsing the Status Quo

Laurie Clarke citing Mona Sloane 2021 (Clarke is a  senior reporter at Tech Monitor. She has also held reporting positions at NS Tech, Wired UK and IDG. She holds an undergraduate degree in psychology from UCL and a masters in media and journalism from the University of Glasgow.  - Sloane is a senior research scientist at the NYU Centre for Responsible AI and a fellow at the NYU Institute for Public Knowledge.) April 14, 2021 “AI auditing is the next big thing. But will it ensure ethical algorithms?” <https://techmonitor.ai/technology/ai-and-automation/ai-auditing-next-big-thing-will-it-ensure-ethical-algorithms> (Accessed 23 June 2021)

But legislation, if imprecise, won’t solve the issues dogging AI auditing. Sloane points out that the New York bill mentions “bias audits” without specifying what this means. “In the absence of a definition, or minimum requirements, or parameters, what people currently do as an audit sets the precedent and that’s what regulators look to – and that’s a very negative dangerous feedback loop.” Rights activists have aired similar concerns that the imposition of a lax AI audit could permit discriminatory software to get certified as having passed a fairness audit.

3. Too complex

Auditing algorithms is complicated, even for experts, and there aren’t enough experts

James Kobielus 2021 (independent tech industry analyst, consultant, and author. Senior Research Director in Data Management for TDWI Information Technology and Services. He has also worked as the Research Director and Lead Analyst at Futurum Research + Analysis. MA in Journalism from University of Wisconsin-Madison; BA in Economics from Univ. of Michigan)  March 4, 2021 “How We’ll Conduct Algorithmic Audits in the New Economy”<https://www.informationweek.com/big-data/ai-machine-learning/how-well-conduct-algorithmic-audits-in-the-new-economy/a/d-id/1340299> (Accessed 20 June 2021)

Throwing more algorithm experts at the problem (even if there were enough of these unicorns to go around) wouldn’t necessarily lighten the burden of assessing algorithmic accountability. Explaining what goes on inside an algorithm is a complicated task even for the experts. These systems operate by analyzing millions of pieces of data, and though they work quite well, it’s difficult to determine exactly why they work so well. One can’t easily trace their precise path to a final answer. Algorithmic auditing is not for the faint of heart, even among technical professionals who live and breathe this stuff. In many real-world distributed applications, algorithmic decision automation takes place across exceptionally complex environments. These may involve linked algorithmic processes executing on myriad runtime engines, streaming fabrics, database platforms, and middleware fabrics.

4. Conflict of interest

Audits won’t solve bias because of financial dependency links and perverse incentives

Professor Alex Engler 2021(Fellow in Governance Studies at Brookings Institution, where he specializes in artificial intelligence; teaches classes on data science and visualization at Georgetown’s McCourt School of Public Policy, where he is an adjunct professor and affiliated scholar. MA in Public Policy from Georgetown University; MA of Science in Predictive Analytics from Northwestern Univ.) March 12, 2021 “Auditing employment algorithms for discrimination” <https://www.brookings.edu/research/auditing-employment-algorithms-for-discrimination/> (Accessed 7 June 2021)

An algorithmic audit will not automatically prevent the use of biased algorithms in employment. While the idea of auditing is associated with accountability, auditing does not automatically produce accountability. When an algorithmic hiring developer contracts with an algorithmic auditor, that auditor is providing a service for a client—a service on which the auditor is often financially dependent. That financial dependency can fundamentally undermine the public value of the audit. While an auditing company may be concerned about its public reputation or holding high professional standards, the need to sell their services will be the most important factor and will ultimately decide which auditors survive and which fail. Although both ORCAA and the Northeastern University researchers were paid for their auditing work, it is relevant that the more thorough audit was done by academic researchers with other means of financial support, and the less thorough audit was done by a company with a direct financial dependency. This encourages consideration of the incentives that would lead companies to choose and enable comprehensive audits, as well as the incentives for auditors to execute robust and critical audits.

5. Nothing changes

Audits don’t produce change

Alfred Ng citing Deborah Raji 2021 (Ng is a journalist; previously worked as a senior reporter for CNET, covering cybersecurity and privacy, and a reporter for New York Daily News.- Deborah Raji is an auditor and a research collaborator at the Algorithmic Justice League) February 23, 2021 “Can Auditing Eliminate Bias from Algorithms?”February 23, 2021 “Can Auditing Eliminate Bias from Algorithms?”<https://themarkup.org/ask-the-markup/2021/02/23/can-auditing-eliminate-bias-from-algorithms> (Accessed 11 June 2021)

There’s no guarantee companies will address the issues raised in an audit.  “You can have a quality audit and still not get accountability from the company,” said Raji. “It requires a lot of energy to bridge the gap between getting the audit results and then translating that into accountability.”

6. More study needed

Algorithmic auditing is too new to be standardized in industry or government

Hayden Field  citing Amba Kak 2020 (Field – journalist; associate editor at Entrepreneur. She has also worked as a Artificial Intelligence Reporting Fellow at the National Press Foundation. BA in Journalism and Theatre from Univ of Georgia. - Kak is the director of global policy at the AI Now Institute.) October 30, 2020 “Algorithms Are Everywhere. How Are We Fighting Their Bias?”<https://www.morningbrew.com/emerging-tech/stories/2020/10/30/algorithms-everywhere-fighting-bias> (Accessed 22 June 2021) (ellipses in original)

Algorithmic auditing is so new that Google doesn’t even have enough data to display the term’s search popularity. At this point, it’s an “active field of research and activism rather than...a standardized practice both in industry and in government,” says Kak.

The algorithmic auditing industry has ‘shaky foundations’

Laurie Clarke 2021 (A senior reporter at Tech Monitor; undergraduate degree in psychology from UCL and a masters in media and journalism from the Univ of Glasgow.) April 14, 2021 “AI auditing is the next big thing. But will it ensure ethical algorithms?”<https://techmonitor.ai/technology/ai-and-automation/ai-auditing-next-big-thing-will-it-ensure-ethical-algorithms> (Accessed 1 July 2021)

At the beginning of this year, HireVue announced the results of an algorithmic audit carried out by O’Neil Risk Consulting and Algorithmic Auditing (ORCAA), which HireVue presented as exonerating its tools from bias. However, AI researchers such as Brookings Institution fellow in governance studies, Alex Engler, said that the company’s summary of ORCAA’s assessment was misleading because the auditors had only been instructed to look at a very narrow use case of HireVue’s technology. “In mischaracterising the audit, HireVue reveals the shaky foundations of the new algorithmic auditing industry,” Engler wrote in ‘Fast Company‘.

No way to measure fairness when it comes to AI algorithms

Maria Yatsenko 2019 (Market Research Specialist at the Apriorit; worked as a Content Writer with the IT Company. MA in Business Administration and Management, MA in Sociology, both from Dnipropetrovsk National Univ., Ukraine. November 28, 2019 “Biased Artificial Intelligence: Can Your AI Solution Be Freed from Built-in Prejudice?”<https://www.apriorit.com/dev-blog/649-ai-bias-in-ai> (Accessed 7 July 2021)

Fairness is essentially a social construct that developers can use to judge whether an algorithm is biased. Curiously, there’s no single definition of fairness when it comes to AI algorithms. A group of researchers from the University of Massachusetts determined 20 different variations of fairness [PDF] used in modern AI solutions.

DISADVANTAGES

1. Regulations burden and discourage AI industry development

Link: AAA imposes complicated requirements that aren’t feasible

Joshua New 2019 (formerly a senior policy analyst at the Center for Data Innovation. He has a background in government affairs, policy, and communication; graduated from American University with degrees in C.L.E.G. (Communication, Legal Institutions, Economics, and Government) and Public Communication.) September 23, 2019 “How to Fix the Algorithmic Accountability Act”<https://datainnovation.org/2019/09/how-to-fix-the-algorithmic-accountability-act/> (Accessed 10 July 2021)

Second, this approach does not appropriately consider the non-linear nature of software and process development and deployment. A typical software development process can involve multiple iterations of beta testing, pushing minor updates to existing software, adding new functionality, and so on. It would not be feasible to require a company to conduct a new impact assessment for every minor software update, but the bill does not provide guidance on how to productively integrate impact assessments with the software development process.

Link: AAA over-reaching regulations would inhibit AI development. We should stop, do more study, and rewrite the bill to reduce the burden

Joshua New 2019 (formerly a senior policy analyst at the Center for Data Innovation. He has a background in government affairs, policy, and communication. Prior to joining the Center for Data Innovation, Joshua graduated from American University with degrees in C.L.E.G. (Communication, Legal Institutions, Economics, and Government) and Public Communication.) September 23, 2019 “How to Fix the Algorithmic Accountability Act”<https://datainnovation.org/2019/09/how-to-fix-the-algorithmic-accountability-act/> (Accessed 10 July 2021)

The Algorithmic Accountability Act, if implemented as written, would create overreaching regulations that would still not protect consumers against many potential algorithmic harms while also inhibiting benign and beneficial applications of algorithms. The most prudent approach would be for Congress to act with forbearance and take the time to understand this issue better to avoid potential unintended consequences of misguided legislation. However, if Congress recognizes that the best way to achieve better outcomes for consumers is not to bog down companies using algorithms with new regulations—even the most extensive internal reviews will not be able to predict all potential pitfalls—but rather to hold companies strictly accountable for monitoring their use of algorithms and mitigating potential harms, then this bill is salvageable.

Link: AAA stigmatizes and discourages AI use

Joshua New 2019 (former senior policy analyst at the Center for Data Innovation. He has a background in government affairs, policy, and communication. Prior to joining the Center for Data Innovation, graduated from American Univ. with degrees in C.L.E.G. (Communication, Legal Institutions, Economics, and Government) and Public Communication.) 23 Sept 2019 “How to Fix the Algorithmic Accountability Act”<https://datainnovation.org/2019/09/how-to-fix-the-algorithmic-accountability-act/> (Accessed 10 July 2021)

The first and foremost problem with the Algorithmic Accountability act is its framing. Targeting only automated high-risk decision-making, rather than all high-risk decision-making, is counterproductive. If a certain decision carries a high risk of harming consumers, such as by facilitating discrimination, it should make no difference whether an algorithm or a person makes that decision. To hold algorithmic decisions to a higher standard than human decisions implies that automated decisions are inherently less trustworthy or more dangerous than human ones, which is not the case. This would only serve to stigmatize and discourage AI use, which would reduce its beneficial social and economic impact. This provision would only be worthwhile if expanded to all high-risk decisions, regardless of the technology involved.

Impact: Trillions of dollars at stake in the global economy for AI

 Genevieve Smith and Ishita Rustagi 2020 (Smith - Associate Director of the Center for Equity, Gender & Leadership at the University of California Berkeley, Haas School of Business. She is a former Global Development Lab Fellow at USAID. She has also worked as a Program Manager for the Center for Energy and Environmental Security. She holds an MA of Development Practice from the University of Berkeley and a degree in International Relations from the University of Colorado at Boulder. Rustagi  -  an Analyst at the Berkeley Haas Center for Equity, Gender, and Leadership. She graduated with a Bachelor’s degree in Economics and English at UC Berkeley. July 2020 “Mitigating Bias in Artificial Intelligence” <https://haas.berkeley.edu/wp-content/uploads/UCB_Playbook_R10_V2_spreads2.pdf>, ad: 6/11/2021

AI represents the largest economic opportunity of our lifetime – estimated to contribute $15.7 trillion to the global economy by 2030 according to PwC research. Businesses leaders at IBM anticipate adoption of AI in the corporate world to explode up to 90% in the next 18-24 months.

Impact: Public policy that accelerates AI innovation will have big economic impact

Iain M. Cockburn, Rebecca Henderson & Scott Stern 2018 (with the National Bureau of Economic Research) March 2018 “THE IMPACT OF ARTIFICIAL INTELLIGENCE ON INNOVATION” <https://www.nber.org/system/files/working_papers/w24449/w24449.pdf> (accessed 8 June 2021)

Second, while some applications of artificial intelligence will surely constitute lower-cost or higher-quality inputs into many existing production processes (spurring concerns about the potential for large job displacements), others, such as deep learning, hold out the prospect of not only productivity gains across a wide variety of sectors but also changes in the very nature of the innovation process within those domains. As articulated famously by Griliches (1957), by enabling innovation across many applications, the “invention of a method of invention” has the potential to have much larger economic impact than development of any single new product. Here we argue that recent advances in machine learning and neural networks, through their ability to improve both the performance of end use technologies and the nature of the innovation process, are likely to have a particularly large impact on innovation and growth. Thus the incentives and obstacles that may shape the development and diffusion of these technologies are an important topic for economic research, and building an understanding of the conditions under which different potential innovators are able to gain access to these tools and to use them in a pro-competitive way is a central concern for policy.