



October 11, 2024

VIA ELECTRONIC FILING

Sean Delehanty
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Re: *Reporting Requirements for the Development of Advanced Artificial Intelligence Models and Computing Clusters*, BIS-2024-0047, RIN 0694-AJ55

Dear Mr. Delehanty:

CTIA¹ appreciates the opportunity to provide input on the Department of Commerce's Bureau of Industry and Security's ("BIS's") proposed reporting requirements for the development of advanced artificial intelligence ("AI") models and computing clusters.² CTIA shares BIS's goal of ensuring that the U.S. government has needed information on U.S. capacity to develop highly capable AI models.

Today, the wireless industry uses AI and machine learning technologies to enhance services, networks, and consumer protections—from optimizing network deployments and operations to strengthening cybersecurity and national security to mitigating spam and scam robocalls and robotexts. At the same time, CTIA and its member companies are focused on balancing those innovations against potential risks, and share policymakers' goal to stay ahead of bad actors that seek to leverage AI to harm U.S. economic and security interests.

Section 4.2(a)(i) of Executive Order 14110 directs the Department of Commerce to require companies developing or demonstrating an intent to develop potential dual-use foundation AI models to provide to the federal government on an ongoing basis certain information, including activities related to training, developing, and using such models.³ However, BIS's proposed 15 C.F.R.

¹ CTIA – The Wireless Association® ("CTIA") (www.ctia.org) represents the U.S. wireless communications industry and the companies throughout the mobile ecosystem that enable Americans to lead a 21st century connected life. The association's members include wireless providers, device manufacturers, suppliers as well as apps and content companies. CTIA vigorously advocates at all levels of government for policies that foster continued wireless innovation and investment. The association also coordinates the industry's voluntary best practices, hosts educational events that promote the wireless industry and co-produces the industry's leading wireless tradeshow. CTIA was founded in 1984 and is based in Washington, D.C.

² *Reporting Requirements for the Development of Advanced Artificial Intelligence Models and Computing Clusters*, Request for Comment, 89 Fed. Reg. 73612 (rel. Sept. 10, 2024) ("RFC").

³ Exec. Order No. 14110, 88 Fed. Reg. 75191, 75197 (Oct. 30, 2023).



§ 702.7(a)(1)(ii) is overbroad and stands to sweep in operators of data centers who are not engaged in training, developing, or using dual-use foundation models. Specifically, the proposed rule applies to U.S. entities when “[a]cquiring, developing, or coming into possession of a computing cluster” with sufficient capabilities (300 Gbps throughput and 10^{20} operations per second) “for AI training.”⁴ This phrasing is ambiguous as “for AI training” could be interpreted to modify the capabilities of the computing cluster, regardless of how the entity is *actually* using the computing cluster. This interpretation may scope in data center operators who are not participating in the activities intended to be targeted by the proposed rules.

To address these ambiguities, BIS should clarify the scope of § 702.7(a)(1)(ii) by limiting it to only computing clusters that are being used or will be used for covered AI training activities. This clarification would more narrowly focus the requirement on operators who—for the purposes of training an AI model—are acquiring, developing, or coming into possession of covered computing clusters. BIS should also make clear that companies using data centers to support their own operations (*i.e.*, are not engaged in offering data center capabilities as a service) and are not using such data centers to develop AI are not subject to these reporting requirements.

These clarifications would align with the policy goals driving the reporting requirements. Section 4.2(a) of Executive Order 14110 directs the Department of Commerce to collect information about dual-use foundation models in accordance with the Defense Production Act (“DPA”).⁵ The DPA centers on obtaining information from the private sector to support the national defense. Requiring reporting by data centers that are not involved in AI training would not further this goal. Indeed, the RFC anticipates that “[t]he reporting requirements in this proposed rule are expected to apply to only a small number of entities—only those companies developing or intending to develop a dual-use foundation model and those companies, individuals, or other organizations or entities that acquire, develop, or possess potential large-scale computing clusters.” But the regulations as drafted would sweep in a far greater number of entities—without providing the U.S. government relevant information to support the national defense.

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CTIA supports BIS’s efforts and appreciates the opportunity to provide input. As BIS finalizes these proposed rules, it should limit the scope of its reporting requirements to more properly capture

⁴ Proposed rule 15 C.F.R. § 702.7(a)(1)(ii). The proposed rules define “training” as “any process by which an AI model learns from data using computing power. Training includes but is not limited to techniques employed during pre-training like unsupervised learning and employed during fine tuning like reinforcement learning from human feedback.” Proposed rule 15 C.F.R. § 702.7(c).

⁵ Exec. Order No. 14110, 88 Fed. Reg. 75191 (Oct. 30, 2023); 50 U.S.C. 4501 *et seq.*



relevant information from companies involved in developing and training dual-use foundation models.

Sincerely,

/s/ David Valdez

David Valdez

Vice President, Privacy and Cybersecurity

CTIA