July 26, 2023

Office of Science and Technology Policy

Eisenhower Executive Office Building

725 17th Street NW

Washington, District of Columbia

**RE: Comments of ACT | The App Association to the Australian Government on *Supporting Responsible AI: Discussion Paper***

ACT | The App Association (App Association) appreciates the opportunity to provide input to the Australian Government’s Department regarding governance mechanisms to ensure artificial intelligence (AI) is developed and used safely and responsibly in Australia.[[1]](#footnote-1)

The App Association is a global trade association for small and medium-sized technology companies. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. Today, the value of the ecosystem the App Association represents—which we call the app economy—is approximately $1.8 trillion and is responsible for 6.1million American jobs, while serving as a key driver of the $8 trillion internet of things (IoT) revolution.[[2]](#footnote-2) Alongside the world’s rapid embrace of mobile technology, our members create the innovative solutions that utilize AI to power IoT across various modalities and segments of the economy.

AI is an evolving constellation of technologies that enable computers to simulate elements of human thinking, such as learning and reasoning. An encompassing term, AI entails a range of approaches and technologies, such as machine learning (ML), where algorithms use data, learn from it, and apply their newly-learned lessons to make informed decisions, and deep learning, where an algorithm based on the way neurons and synapses in the brain change as they are exposed to new inputs allows for independent or assisted decision-making. AI-driven tools are having, and will continue to have, substantial direct and indirect effects on Americans. Some forms of AI are already being used to improve American consumers’ lives today – for example, AI is used to detect financial and identity theft and to protect the communications networks upon which Americans rely against cybersecurity threats. Moving across use cases and sectors, AI has incredible potential to enable faster and better-informed decision making through cutting-edge distributed cloud computing. For example, healthcare treatments and patient outcomes stand poised to improve disease prevention and conditions, as well as efficiently and effectively treat diseases through automated analysis of x-rays and other medical imaging. From a governance perspective, AI solutions will derive greater insights from infrastructure and support efficient budgeting decisions. It is

estimated that AI technological breakthroughs will represent a $126 billion market by

2025.[[3]](#footnote-3)

Today, consumers are encountering AI in their lives incrementally through the improvements they have seen in computer-based services they use, typically in the form of streamlined processes, image analysis, and voice recognition, all forms of what we consider “narrow” AI. These narrow applications of AI already provide great societal benefit. As AI systems, powered by streams of data and advanced algorithms, continue to improve services and generate new business models, the fundamental transformation of economies across the globe will only accelerate. Nonetheless, AI’s growing use raises a variety of challenges, and some new and unique considerations, for policymakers as well as those making AI operational today. The App Association appreciates the Australian Government’s efforts to develop a national AI strategy that provides reliable guidance to stakeholders to reassure end-users that AI systems are legal, effective, ethical, safe, and otherwise trustworthy.

The App Association has worked proactively to develop consensus around AI governance and policy questions from across its diverse and innovative community of small businesses. As a result of these consensus-building efforts, the App Association has created comprehensive policy principles for AI governance[[4]](#footnote-4) which address many of the areas raised by the Australian Government in its request for information with detailed recommendations. **Notably, the App Association’s policy principles for AI address quality assurance and oversight, recommending that any AI policy framework utilize risk-based approaches to ensure that the use of AI aligns with the recognized standards of safety, efficacy, and equity. Our AI policy principles also prioritize ensuring the appropriate distribution and mitigation of risk and liability by providing that those in the value chain with the ability to minimize risks based on their knowledge and ability should have appropriate incentives to do so.**

The App Association also strongly urges for a coordinated effort across foreign governments and their agencies. Already, numerous regulatory agencies, some cross-sectoral and others sector-specific, are considering or advancing regulatory proposals that would take starkly different approaches to AI accountability. Some of these proposals are poised to put significant hurdles in place for the development and use of AI through one-size-fits -all approaches that have nominal public benefit at best and are misaligned with other leading efforts from the United States government, such as that of the National Institute of Standards and Technology [NIST] at worst[[5]](#footnote-5). In some cases, such proposals are being developed based on speculative and undemonstrated harms.[[6]](#footnote-6) The Department of Industry, Science and Resources, along with other cross-sectoral subject matter expert agencies within the Australian Government should take needed steps through implementing a strategy that ensures a harmonized and informed approach to AI governance.

Many entities, both public and private, are actively engaging in efforts to create and enforce AI accountability frameworks, which may lead to the creation of trusted audits, assessments, and certifications. While this area continues to evolve, we strongly urge for the Australian Government’s alignment with NIST’s efforts to develop a voluntary artificial intelligence risk management framework (AI RMF), which aims to help designers, developers, users, and evaluators of AI systems evolve in knowledge, awareness, and best practices to better manage risks across the AI lifecycle.[[7]](#footnote-7) NIST’s AI RMF is best positioned to guide global efforts in addressing AI due to its expertise and its collaborative and open approach to developing the AI RMF, similar to NIST’s Cybersecurity Framework.[[8]](#footnote-8) It is in the public’s best interest that the NIST AI RMF’s scaled, risk-based approach serve as a basis for both foreign and domestic approaches to AI risk management and governance; and that the Australian Government take active steps to bring its agencies into alignment with this approach.

The App Association appreciates Australian Government’s consideration of the above (and appended) views, and we urge you to contact the undersigned with any questions or on ways that we can assist moving forward.

Sincerely,

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Brian Scarpelli

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**ACT | The App Association**

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1. <https://consult.industry.gov.au/supporting-responsible-ai>. [↑](#footnote-ref-1)
2. ACT | The App Association, State of the U.S. App Economy: 2020 (7th Edition) (Apr. 2020), available at <https://actonline.org/wp-content/uploads/2020-App-economy-Report.pdf> [↑](#footnote-ref-2)
3. McKinsey Global Institute, Artificial Intelligence: The Next Digital Frontier? (June 2017), available at

   https://www.mckinsey.com/~/media/McKinsey/Industries/Advanced%20Electronics/Our%20Insights/How

   %20artificial%20intelligence%20can%20deliver%20real%20value%20to%20companies/MGI-Artificial-

   Intelligence-Discussion-paper.ashx. [↑](#footnote-ref-3)
4. The App Association’s Policy Principles for Artificial Intelligence are included in this comment as **Appendix A**. [↑](#footnote-ref-4)
5. <https://www.nist.gov/itl/ai-risk-management-framework>. [↑](#footnote-ref-5)
6. Trade Regulation Rule on Commercial Surveillance and Data Security, 87 FR 51273 (Aug. 22, 2022); App Association views provided to the Federal Trade Commission in response to its Advanced Notice of Proposed Rulemaking are available at <https://www.regulations.gov/comment/FTC-2022-0053-1089>. [↑](#footnote-ref-6)
7. <https://www.nist.gov/itl/ai-risk-management-framework>. [↑](#footnote-ref-7)
8. <https://www.nist.gov/cyberframework>. [↑](#footnote-ref-8)