

**Testimony of Victoria Espinel
CEO, BSA | The Software Alliance**

**Hearing on Safeguarding Data and Innovation: Building the
Foundation for the Use of Artificial Intelligence.**

Good morning Chair Bilirakis, Ranking Member Schakowsky, Chair McMorris Rodgers, Ranking Member Pallone and members of the Subcommittee. My name is Victoria Espinel, and I am the CEO of BSA | The Software Alliance.

BSA is the advocate for the global business-to-business software industry. BSA members are at the forefront of developing cutting-edge services — including AI — and their products are used by businesses of all sizes across every sector of the economy. I commend the Subcommittee for convening today's hearing, and I thank you for the opportunity to testify.

Safeguarding consumers' personal data and responsibly regulating artificial intelligence are among the foremost technology issues today. Constituents in your districts rely on a wide range of data services to support their local communities and economies. But to fully realize the potential requires trust that technology is developed and deployed responsibly.

The United States needs both a comprehensive federal privacy law and a federal law that creates new rules for companies developing and using high-risk AI systems. Action on both priorities will help promote the responsible use of digital tools, and protect how consumers' data is used.

We appreciate this Committee's strong bipartisan work to pass the American Data Privacy and Protection Act last year, and your decision to address both privacy and AI in that bill. Your effort proves that bipartisan consensus on privacy and AI can be achieved, and we look forward to continuing to work with you as you refine your approach to these issues.

For too long, consumers and businesses in the United States have lived in an increasingly data-driven and connected world, without a clear set of national rules. We need a federal privacy law that does three things: (1) requires businesses to only collect, use, and share data in ways that respect consumers' privacy, (2) gives consumers new rights in their data, including the rights to access, correct, and delete that data, and (3) ensures that companies that violate their obligations are subject to strong enforcement.

The tremendous growth of AI has underscored the importance of these issues. As this Committee has recognized, a federal privacy law will create important new requirements for companies that collect and use consumers' information, including in connection with AI. Thoughtful AI legislation is needed, too. It can further protect consumers by ensuring developers and deployers of AI take required steps to mitigate risks, including conducting impact assessments to identify risks of bias and discrimination.

Privacy and AI legislation will help support the digital transformation of our economy and spread benefits broadly that lead to growth and new jobs across industries. Farmers can use AI to analyze vast amounts of weather information to use less water and maximize their harvest; manufacturers can revolutionize how their goods are designed and made; suppliers and distributors can retool how goods are ordered and delivered, and construction companies can build AI-generated "digital twins" of real-life cities to understand the impacts of a proposed design. Thoughtful federal legislation is the best way to promote trust and technological adoption.

I want to emphasize that in order for legislation on these issues to be effective and workable it has to reflect that different companies have different roles. In privacy, there is widespread recognition that laws must distinguish between companies that decide how and why to process a consumer's data and the service providers that handle data on behalf of other businesses. In AI, there is a similar dynamic. Some companies develop AI, some companies deploy AI. Our companies do both – and both need to have obligations. This Committee recognized the importance of

these distinctions as you advanced privacy legislation last year, and we look forward to continuing to work with you.

I want to conclude by emphasizing the importance of US leadership on both privacy and AI.

There is widespread consensus – from industry, from civil society, and from consumers – that the United States needs privacy legislation.

We also need legislation that sets thoughtful rules for high-risk uses of AI. The bill this Committee passed last year already reflects key aspects of those rules. Other countries are addressing these issues, adopting privacy legislation and moving quickly on AI regulations. The US is a leader in technological innovation and should be a leading voice in shaping the global approach to responsible AI. The time to do so is now.

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Thank you for the opportunity to testify. I look forward to your questions.