

Algorithmic Accountability Act of 2022

Automated systems are increasingly making critical decisions about Americans' health, finances, housing, educational opportunities and more—potentially exposing the public to major new risks from flawed or biased algorithms. While automated systems can have benefits, there are currently insufficient safeguards to protect Americans from companies' use of these programs that can exponentially amplify safety risks, unintentional errors, harmful bias and dangerous design choices.

Numerous press reports have documented examples of flawed automated systems, which could have been mitigated if companies had tested their products for faulty data, bias, safety risks, performance gaps and other problems. [Wired](#) revealed a system that denied pain medications to patients—leaving some in agonizing pain—because it wrongly counted pets' pain prescriptions to be their owners. [The Markup](#) investigated poorly designed mortgage-approval algorithms that inexplicably denied loans to applicants who had just previously been approved. These harms could have been mitigated if companies had appropriately assessed the impacts of applying automation to these critical decisions.

While decision automation is widespread in industry, consumers and regulators lack insight into where these “automated critical decision processes” are being used. This makes it difficult to hold companies accountable and for consumers to make informed choices. The American public and government needs more information to understand where and why automation is being used, and companies need clarity and structure to make the impact assessment process effective.

The Algorithmic Accountability Act of 2022 requires companies to assess the impacts of the automated systems they use and sell, creates new transparency about when and how automated systems are used, and empowers consumers to make informed choices about the automation of critical decisions.

What the Bill Does:

- Provides a baseline requirement that companies assess the impacts of automating critical decision-making, including decision processes that have already been automated.
- Requires the Federal Trade Commission (FTC) to create regulations providing structured guidelines for assessment and reporting.
- Ensures the responsibility for assessing impact by both companies that make critical decisions and those that build the technology that enables these processes.
- Requires reporting of select impact-assessment documentation to the FTC.
- Requires the FTC to publish an annual anonymized aggregate report on trends and to establish a repository of information where consumers and advocates can review which critical decisions have been automated by companies along with information such as data sources, high level metrics and how to contest decisions, where applicable.
- Adds resources to the FTC to hire 50 staff and establishes a Bureau of Technology to enforce this Act and support the Commission in the technological aspects of its functions.

Endorsements:

Access Now; Accountable Tech; Aericia Shimizu Banks; Brandie Nonnecke, PhD; Center for Democracy and Technology (CDT); Color of Change; Consumer Reports; Credo AI; EPIC; Fight for the Future; IEEE; JustFix; Montreal AI Ethics Institute; OpenMined; Open Technology Institute (OTI); Parity AI; US PIRG

