

Algorithmic Accountability Act of 2023

The Algorithmic Accountability Act of 2023 requires companies to assess the impacts of the AI systems they use and sell, creates new transparency about when and how such systems are used, and empowers consumers to make informed choices when they interact with AI systems.

Artificial Intelligence (AI)-powered systems—from cutting-edge generative AI systems to simple rules-based automation—are increasingly making critical decisions about Americans' health, finances, employment, housing, educational opportunities and more. These systems are potentially exposing the public to major new risks from flawed or biased AI. While the benefits of AI are clear in many cases, in many others there are insufficient safeguards to protect Americans from systems that can lead to unfair and unexplained results. Those results can be influenced by the improper use of a person's race, sex, gender identity, religious beliefs, political affiliations, whether they live in the city or a rural community, and other personal attributes in making critical decisions.

Numerous press reports and studies have documented examples of flawed automated systems, which could have been mitigated if companies had tested their products for faulty data, unfair results, 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. A recent lawsuit [alleges](#) that a tenant screening system that disproportionately denied Black and Hispanic renter applications because it improperly relied on historical credit history and failed to consider their use of federally-funded housing vouchers. These harms could have been mitigated if companies had appropriately assessed the impacts of applying automation to these critical decisions.

Unlike other approaches that would create entirely new agencies, burdensome licensing regimes or open broad new categories of liability, the Algorithmic Accountability Act is a targeted response to problems already being created by AI and automated systems. Consumers and regulators lack insight into where these “automated critical decision processes” are being used, making 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 AI is being used and companies need clarity and structure to make the impact assessment process effective.

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 that companies that make critical decisions and those that build the technology are responsible for assessing the impact of decision 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 75 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, Aerica Shimizu Banks, Anti-Defamation League, Center for Democracy and Technology (CDT), Color of Change, Consumer Reports, Encode Justice, EPIC, Fight for the Future, IEEE, Montreal AI Ethics Institute, National Hispanic Media Coalition, New America's Open Technology Institute, Vera and US PIRG.