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Akin Intelligence

September-October 2024

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Welcome to the Akin Intelligence September-October recap. Around the one-year anniversary of the AI Executive Order, the White House announced that agencies had carried out their directives. Members of Congress introduced a handful of new bills but slowed during the lead-up to the election and the FTC announced a first wave of actions against deceptive AI companies. Meanwhile, the EU continued its efforts related to its AI Act and began the drafting process for the companion General-Purpose AI Code of Practice.

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Akin Spotlight

BIS Announces New Semiconductor Manufacturing Equipment Rule

On December 2, 2024, the U.S. Department of Commerce, Bureau of Industry and Security (BIS) announced an interim final rule that significantly revises controls on advanced computing and semiconductor manufacturing items (the SME Rule). The SME Rule is highly complex and intended to inhibit China's ability to develop an indigenous semiconductor ecosystem, including capabilities to manufacture advanced semiconductors, and to slow the PRC's development of advanced AI. The SME Rule clarifies, inter alia, export restrictions applicable to software license keys. It states that software license keys, which allow users to use software or hardware that is "locked" and unusable without a license key, are classified and controlled under the same Export Control Classification Number as the corresponding software to which they provide access—or in the case of hardware, the corresponding software group. Another key aspect of the SME Rule is its addition of new controls and a corresponding license exception for high-bandwidth memory (HBM), which is found in most advanced semiconductors that power advanced AI models. These controls will impact both HBM stacks and semiconductors that contain HBM stacks. BIS notes that "[a]ll HBM stacks currently in production" exceed the memory bandwidth density threshold specified in the new rule.

Federal Action

White House Releases Fact Sheet on Administration's AI Accomplishments

On October 30, 2024, the White House released a Fact Sheet announcing that federal agencies completed all actions assigned to them since the Executive Order on the Safe, Secure and Trustworthy Development and Use of artificial intelligence was released a year ago. The agencies took numerous actions to manage artificial intelligence's (AI) risk to safety and security, protect workers, consumers, privacy and civil rights, create AI innovations and bring AI talent into government.

White House Issues National Security Memorandum on AI

On October 24, 2024, the Biden administration issued a National Security Memorandum (NSM) on AI. The NSM directs the U.S. government to take actions to ensure that the United States leads the world's development of safe AI, harness cutting-edge AI technologies to advance U.S. national security and advance international consensus and governance around AI. A Fact Sheet on the NSM can be found here.

Commerce and DOE Sign MOU on AI Development and Use

On October 30, 2024, the U.S. Departments of Commerce and Energy announced a memorandum of understanding (MOU) signed earlier this year to collaborate on safety research, testing and evaluation of advanced AI models and systems. In addition to facilitating joint research efforts and information sharing, this agreement enables the U.S. AI Safety Institute and National Institute of Standards and Technology to lend their expertise to the Department of Energy and its National Laboratories. The agencies intend to evaluate the impact of AI models on public safety.

Commerce Opens AI Development Funding Competition

On October 30, 2024, the U.S. Department of Commerce announced a Notice of Funding Opportunity (NOFO) called the CHIPS AI/AE for Rapid, Industry-informed Sustainable Semiconductor Materials and Processes (CARISSMA) funding opportunity. This funding is

geared towards activities that will use cutting-edge AI and autonomous experimentation (AE) technologies to support the long-term viability of advanced semiconductor manufacturing. CHIPS for American anticipates approximately $100 million in federal funds, with individual awards ranging from approximately $20 million to $40 million. Expected participants include teams of universities and other research entities, semiconductor industry partners, emerging research institutions and civil society organizations.

Commerce Announces Intended Investments in AI Development

On October 2, 2024, the U.S. Department of Commerce issued a Notice of Intent (NOI) to announce an open competition demonstrating how AI can assist in developing new sustainable semiconductor materials and processes. CHIPS for American anticipates up to $100 million in funding to award recipients that develop university-led AI-powered autonomous experimentation (AI/AE) relevant to sustainable semiconductor manufacturing. The open competition will also aim to expand the participation of universities in the semiconductor research and development ecosystem.

Commerce and State Announce Convening of AI Safety Institutes

On September 18, 2024, the U.S. Departments of Commerce and State announced that they would co-host the inaugural convening of the International Network of AI Safety Institutes on November 20-21, 2024, in San Francisco, California. The goal of the convening is to start the Network's collaboration ahead of the AI Action Summit in Paris in February 2025. The member countries of the Network are Australia, Canada, the European Union (EU), France, Japan, Kenya, South Korea, Singapore, the United Kingdom and the United States.

Commerce Releases NPRM on Reporting Requirements for Frontier AI Developers

On September 9, 2024, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) released a Notice of Proposed Rulemaking (NPRM) outlining a new reporting requirement for AI developers and cloud providers. The rule requires developers to provide detailed reporting to the federal government on information such as developmental activities and cybersecurity measures. Comments must be received by BIS no later than October 11, 2024.

Commerce Appoints New AI Advisory Committee Members

On September 5, 2024, U.S. Secretary of Commerce Gina Raimondo announced the appointment of four new members to the National Artificial Intelligence Advisory Committee (NAIAC). The NAIAC advises the President and the White House on a range of issues related to AI. The newly appointed members are:

- Aneesh Chopra, Chief Strategy Officer of Arcadia

- Christopher Howard, Executive vice president and chief operating officer of ASU

- Angie Cooper, Executive Vice President of Heartland Forward

- Beth Cobert, former President of the Markle Foundation.

NIST Gives Award to Carnegie Mellon to Establish AI Research Center

On September 24, 2024, U.S. Secretary of Commerce Gina Raimondo announced that the National Institute of Standards and Technology (NIST) has awarded $6 million to Carnegie Mellon University (CMU) to establish a joint AI research center. The CMU/NIST AI

Measurement Science & Engineering Cooperative Research Center will focus on developing AI system-level tooling, metrics, evaluation procedures, development processes and best practices for safe AI systems. The new center's work will support the NIST AI Innovation Lab.

CDAO Hosts Responsible AI in Defense Forum

From October 28-30, 2024, the Department of Defense (DoD) Chief Digital and Artificial Intelligence Office (CDAO) hosted a "Responsible AI in Defense Forum," an event that included defense leaders, AI experts and policy-makers to focus on advanced topics in Responsible AI (RAI). The forum provided an opportunity to discuss technical capabilities and challenges and to examine RAI in the context of international military cooperation.

NTIA Requests Comments on Challenges of AI Growth

On September 4, 2024, the National Telecommunications and Information Administration (NTIA) published a request for comments on challenges regarding the development of critical and emerging technologies, including AI. The request focuses on identifying opportunities for the U.S. government to improve data centers' market development, supply chain resilience and data security, which play a critical role in the deployment of AI models and other AI applications. Comments are due to the NTIA by November 4, 2024.

Congressional Action

House Science Committee Makes Strides to Advance AI Legislation

On September 11, 2024, the House Science, Space and Technology Committee held a markup session where several key AI-related bills were considered and favorably reported out of committee. These included the CREATE AI Act of 2023 (H.R. 5077), Small Business Artificial Intelligence Advancement Act (H.R. 9197), LIFT AI Act (H.R. 9211), Workforce for AI Trust Act (H.R. 9215), NSF AI Education Act of 2024 (H.R. 9402), Expanding AI Voices Act (H.R. 9403), AI Development Practices Act (H.R. 9466), and AI Advancement and Reliability Act (H.R. 9497). All bills were reported out of committee.

Additionally, on September 25, 2024, the House Science, Space and Technology Committee held a markup session where they marked up the AI Incident Reporting and Security Enhancement Act (H.R. 9720), and the Department of Energy Artificial Intelligence Act of 2024 ('DOE AI Act'; H.R. 9671), which were also reported out of committee.

House Passes Bill To Close Export Control Loophole

On September 9, 2024, the House passed a package of legislation focused on addressing congressional national security and foreign policy concerns related to the People's Republic of China (PRC). The effort, led by Speaker Mike Johnson, included the **Remote Access Security Act** (H.R. 8152), which provides authority to regulate the remote access to technology subject to U.S. jurisdiction—such as the remote access through a cloud service provider to the compute power of U.S.-controlled semiconductors. U.S. law currently provides the authority for the government to regulate the export of such semiconductors and other technology, but not the remote access to such items by foreign entities. A stated objective of the Act is to prevent access by PRC customers to the computing resources of service providers powered through advanced U.S. chips, which can be used to develop AI large language models with potential capabilities of concern—such the modernization of the PRC's military. Similar legislation has also been introduced in the Senate.

Bipartisan Group of House Lawmakers Introduce Companion to Digital Replicas Bill

On September 12, 2024, Reps. Maria Elvira Salazar (R-FL), Madeleine Dean (D-PA), Nate Moran (R-TX), Adam Schiff (D-CA), Rob Wittman (R-VA) and Joe Morelle (D-NY) introduced the Nurture Originals, Foster Art and Keep Entertainment Safe Act ('NO FAKES Act'; H.R. 9551). On the heels of companion legislation being introduced in the Senate (S.4875), this bill aims to protect the voice and likeness of all individuals from unauthorized, computer-generated recreations from generative AI and other technologies.

Senate AI Working Group Members Introduce Bill to Leverage AI for Pandemic Preparedness

On September 26, 2024, Sens. Mike Rounds (R-SD) and Martin Heinrich (D-NM) introduced the MedShield Act of 2024 (S.5222), which is intended to leverage AI for national pandemic preparedness and response, emphasizing pathogen detection and surveillance, vaccine development, therapeutic development, modeling for pathogen tracking and vaccine distribution and rapid manufacturing of vaccine and therapeutics. The bill aims to create a program called MedShield and implement a recommendation from the National Security Commission on Artificial Intelligence (NSCAI).

House Energy and Commerce Committee Advances Child Safety Bills Targeting Online Platforms

On September 18, 2024, the House Energy and Commerce Committee advanced the Kids Online Safety Act (KOSA; H.R. 7891) and the Children and Teens' Online Privacy Protection Act (COPPA 2.0; H.R. 7890), aimed at protecting users under 18. KOSA imposes a "duty of care" on social media companies to safeguard minors, while COPPA 2.0 extends protections under the 1998 law and limits targeted ads. Despite passing by voice vote, KOSA faced controversy over amendments regarding mental health protections, while COPPA 2.0 saw concerns about parental access to teens' social media data. Both bills move to a full House vote.

Senate Committees Examine AI Impacts

On September 17, 2024, the Senate Judiciary Subcommittee on Privacy, Technology, and the Law held a hearing titled "Oversight of AI: Insiders' Perspectives." The hearing featured testimony from a researcher from the Center for Security and Emerging Technology, a former Google AI staff researcher, a former OpenAI staffer and a researcher from the California Initiative for Technology and Democracy. Subcommittee Chair Richard Blumenthal (D-CT) and Ranking Member Josh Hawley (R-MO) highlighted urgent AI regulation concerns, including transparency, accountability and mitigating risks associated with artificial general intelligence (AGI). Witnesses emphasized the need for proactive policy measures, including whistleblower protections, third-party audits and increased government expertise.

On September 25, 2024, the Senate Health, Education, Labor and Pensions Subcommittee on Employment and Workplace Safety held a hearing titled "Reading the Room: Preparing Workers for AI." The hearing featured testimony from individuals from LinkedIn, aiEDU, Ryan Health and Seed AI. Subcommittee Chair John Hickenlooper (D-CO) and Ranking Member Mike Braun (R-IN) highlighted the growing need for AI literacy and workforce training as AI technology transforms industries. Witnesses emphasized the importance of public-private partnerships, federal investment in education and training and regulatory frameworks to address AI's impact on the workforce. Key issues discussed included skills-based hiring, upskilling initiatives, community college programs and ensuring AI systems are free from bias and discrimination.

Lawmakers Express Concern Over AI's Influence on 2024 Election

On September 18, 2024, Sens. Amy Klobuchar (D-MN) and Mark Warner (D-VA) sent a letter to the CEOs of Meta, X, Alphabet, Twitch and Discord, urging them to address election misinformation and AI-generated disinformation. They called for bolstering content moderation, maintaining trust and integrity teams and implementing robust policies to counter threats to voter trust and safety. The letter also requested transparency in combating deceptive content, collaboration with other platforms and sufficient staffing to handle election-related disinformation. Similarly, Rep. Adam Schiff (D-CA) and eight other lawmakers sent a letter to the CEOs of major social media companies, including TikTok, Google and YouTube, demanding action against misinformation and potential violence. Rep. Schiff criticized platforms for rolling back election policies and called for transparency in enforcement, data sharing on effectiveness and a commitment to maintaining election integrity.

Senators Pen Letter Urging Disclosure of AI-Generated Content in Political Ads

On September 20, 2024, Sens. Chris Van Hollen (D-MD), Ben Ray Luján (D-NM), Michael Bennet (D-CO), Angus King (I-ME), Amy Klobuchar (D-MN), Raphael Warnock (D-GA), Peter Welch (D-VT) and Cory Booker (D-NJ) penned a letter to the Federal Communications Commission (FCC) urging the adoption of rules requiring disclosure of AI-generated content in political ads on radio and TV. They emphasized the risks of AI in elections, including amplifying misinformation, inciting political violence and suppressing voter participation.

Senate Democratic Leader Urges Biden Administration to Establish Civil Rights Offices at Federal Agencies

On September 16, 2024, Sen. Edward J. Markey (D-MA) and Senate Majority Leader Chuck Schumer (D-NY) sent a letter to Office of Management and Budget (OMB) Director Shalanda Young, urging the establishment of civil rights offices in all federal agencies utilizing AI for consequential decisions. The letter highlights concerns about algorithmic discrimination, emphasizing the need to safeguard marginalized communities against harm from biased AI systems. The senators called on the OMB to require agencies to staff these offices with technologists and experts in algorithmic bias to mitigate discrimination and facilitate proactive outreach to affected populations.

Lawmakers Unveil Slew of AI Bills

- **AI Governance in Military Alliances:** On September 16, 2024, Sens. Joni Ernst (R-IA), Kirsten Gillibrand (D-NY) and Ted Budd (R-NC) introduced the AI Accord Act of 2024 (S. 5058), requiring the Secretary of Defense to submit a strategy to Congress for improving AI-related cooperation between the U.S. and Middle East allies.

- **21st-Century AI Workforce Development:** On September 16, 2024, Reps. Barbara Lee (D-CA) and Emanuel Cleaver (D-MO) introduced the Workforce of the Future Act (H.R. 9607), which aims to promote a 21st-century AI workforce by increasing access to pre-K-12 technology education and upskilling workers for emerging technologies.

- **Secure AI in Defense Data Storage:** On September 17, 2024, Rep. Ro Khanna (D-CA) introduced the AIxBio Defense Sandbox Act (H.R. 9626), which would direct the DoD to develop a secure computing and data storage environment for testing AI trained on biological data.

- **AI Election Misrepresentation Prohibition:** On September 17, 2024, Reps. Adam Schiff (D-CA) and Eleanor Holmes Norton (D-DC) introduced the AI Ads Act (H.R. 9639), which

would amend the Federal Election Campaign Act of 1971 to include prohibitions against using generative AI for fraudulent misrepresentation of campaign authority.

- **AI in Homeland Security Contracting:** On September 18, 2024, Reps. Michael Guest (R-MS) and Glenn Ivey (D-MD) introduced the PATHS Act (H.R. 9459), which would amend the Homeland Security Act of 2002 to enable secure and trustworthy technology adoption through other transaction contracting authority.

- **Consumer AI Literacy Strategy:** On September 19, 2024, Reps. Lisa Blunt Rochester (D-DE) and Marc Molinaro (R-NY) introduced the Consumers LEARN AI Act (H.R. 9673), which would direct the Secretary of Commerce to develop a national strategy for AI consumer literacy and launch a national awareness campaign.

- **Federal AI Security Measures:** On September 20, 2024, Reps. Deborah Ross (D-NC) and Don Beyer (D-VA) introduced the Secure Artificial Intelligence Act (H.R. 9737), which aims to improve the tracking and processing of AI security and safety risks.

- **AI Civil Rights Protections:** On September 24, 2024, Sens. Ed Markey (D-MA) and Mazie Hirono (D-HI) introduced the Artificial Intelligence Civil Rights Act of 2024 (S. 5152), which would establish protections for individual rights with respect to computational algorithms.

- **Managing Military AI Risks:** On September 25, 2024, Sen. Peter Welch (D-VT) introduced the AWARE Act of 2024 (S. 5239), which would require the Secretary of Defense to manage risks relating to military use of AI.

- **Improving Federal AI Data Governance:** On September 25, 2024, Sens. Gary Peters (D-MI) and Todd Young (R-IN) introduced the Modernizing Data Practices to Improve Government Act (S.5109), which would extend the Chief Data Officer Council's sunset and add authorities for secure adoption of emerging technologies like AI.

- **AI Education for Military Personnel:** On October 1, 2024, Rep. Rick Larsen (D-WA) introduced the Next Generation Military Education Act (H.R. 9903), which would provide DoD personnel with increased access to training and education in AI and ML.

- **Regulating AI Content in Political Ads:** On October 4, 2024, Rep. Andrew Clyde (R-GA) introduced the Ending FCC Meddling in Our Elections Act (H.R. 9913), which would prohibit the FCC from promulgating or enforcing rules requiring disclosure of AI-generated content in political advertisements.

Health Care

HHS Invests in Project to Accelerate the Discovery and Development of New Antibiotics Using Generative AI

On September 26, 2024, the Department of Health and Human Services (HHS) announced funding for the Transforming Antibiotic R&D with Generative AI to Stop Emerging Threats (TARGET) project. The project aims to use AI to accelerate the discovery and development of new classes of antibiotics. The HHS press release reports that bacterial infections are a leading cause of death worldwide, and there is an urgent need to combat antimicrobial resistance (AMR). Conventional approaches are time- and resource-intensive, requiring manual screening and testing of molecular compounds, the majority of which fail to show antibiotic activity. The TARGET project will use deep learning to identify molecules with

antibiotic and pharmaceutical potential and use generative AI to "broaden the pool of candidate molecules." This project was solicited through the Advanced Research Projects Agency for Health (ARPA-H) Open Broad Agency Announcement. Phare Bio, in collaboration with the Collins Lab at the Massachusetts Institute of Technology and Harvard's Wyss Institute, will lead the project, with a budget of up to $27 million.

FDA Announces New Center for Drug Evaluation and Research (CDER) AI Council

Patrizia Cavazzoni, director of CDER, sent out an all-staff email announcing the creation of a new AI council, which will provide oversight, coordination and consolidation of AI activities for the drug center. It will also advance innovative uses of AI and help CDER meet requirements outlined in the Biden administration's AI Executive Order 14110 and the OMB Memorandum, Advancing Governance, Innovation and Risk Management for Agency Use of Artificial Intelligence.

Report Finds That Global AI in Health Care Market Size Anticipated to Reach Around $613 Billion by 2034 (September 5, 2024)

A report from Precedence Research found that the global AI in health care market size, which was USD 19.27 billion in 2023, is estimated at USD 26.69 billion in 2024 and is anticipated to reach around USD 613.81 billion by 2034, expanding at a CAGR of 36.83% from 2024 to 2034.

Judicial Action & Administrative Proceedings

FTC Announces Five Cases Involving Deceptive AI Practices – Date: ~Sep. 30; Category: US Judicial & Admin Decision

On September 25, 2024, the Federal Trade Commission (FTC) announced its Operation AI Comply, aimed at AI-related fraud and deception, along with actions against several companies. This initiative focuses the FTC's authority to regulate fraudulent and deceptive practices on AI, such as chatbots making false legal advice claims, AI-generated fake online reviews and misleading earnings claims from AI-driven business schemes. The FTC emphasizes the importance of consumer vigilance, advising verification of information from automated tools and careful scrutiny of business opportunities involving AI. The FTC pursued legal actions against five entities such practices:

- **DoNotPay**: The FTC alleged that DoNotPay falsely claimed that its chatbot could act as a "robot lawyer" to substitute for the expertise of a human lawyer and produce "iron clad" legal documents. DoNotPay agreed to a Consent Agreement that would prohibit the company from making similar claims without evidence, provide notification to customers about the limitations of its service and pay $193,000.

- **Rytr**: Rytr allegedly sold an AI tool that enables the creation of fake online reviews on a large scale by generating "Testimonial & Review" content. Rytr's users posted tens of thousands of potentially false reviews for various products, that could deceive unknowing consumers Ryter agreed to a Consent Order, which would prevent Rytr from "advertising, promoting, marketing, or selling any service dedicated to—or promoted as—generating consumer reviews or testimonials."

- **Ascend Ecom**: Ascend allegedly misled people with claims that AI tools would provide

them with thousands of dollars per month in passive income, defrauding them of at least $25 million, and failing to honor a "guaranteed buyback" enticing them to invest in their business opportunities. The FTC filed a lawsuit in the U.S. District Court for the Central District of California.

- **Ecommerce Empire Builders**: Similar to Ascend, Ecommerce Empire Builders allegedly made false claims that it would train consumers to build an "AI-powered Ecommerce Empire" and after consumers found out their stores weren't profitable, Ecommerce Empire Builders resisted providing refunds. The FTC filed a lawsuit in the U.S. District Court for the Eastern District of Pennsylvania.

- **FBA Machine**: The FBA Machine also allegedly made false promises of guaranteed income through AI-powered storefronts. The company's operator allegedly conducted a similar scheme previously under the name Passive Scaling and reused the marketing materials with additional "AI-powered" language. The company promised that it was "risk-free" and guaranteed to refund its customers' initial investments, but ultimately cost them more than $15.9 million. The FTC filed a lawsuit in the U.S. District Court for the District of New Jersey.

State Action

California Combats AI Generated Media for Political Ads

On September 17, 2024, the bill AB 2355 passed, an addition to the Political Reform Act of 1974. The Political Reform Act requires certain advertisements to have disclosures. A failure to disclose would result in a cease and desist, pay a fine of up to $5,000, or the Fair Political Practices Commission can bring a civil action against the violator. AB 2355 will establish a committee that creates, originally publishes or originally distributes a "qualified political advertisement to include in the advertisement a specified disclosure that the advertisement was generated or altered using artificial intelligence."

A second bill that was enacted on September 17 was AB 2839. This bill amended Section 35 of the Code of Civil Procedure, which prohibits the distribution of deceptive media of a political candidate within 60 days of an election. This amendment prevents an individual or committee from distributing an ad that contains materially deceptive content. Additionally, the prohibitory period for the distribution of this kind of media is within 120 days of an election in California. The bill would allow the person or entity who is the recipient of the content to file a civil action to seek damages against the person, committee or other entity that distributed it.

The final bill that passed on September 17 is the Defending Democracy from Deepfake Deception Act of 2024 (AB 2655). The bill requires an online platform to block materially deceptive content related to state elections from appearing on the platform around the time of an election. Additionally, the bill requires the online platform to create a procedure for state residents to report content that has not been labeled or blocked.

Delaware Criminalizes Deepfakes

On October 9, 2024, House Substitute Bill 1 passed. The bill criminalizes the distribution of a deep fake within 90 days of an election. Such deep fakes will be penalized if there is no disclaimer stating that the content has been altered or artificially generated. Additionally, candidates who have been depicted in deep fakes can seek civil injunctive relief.

Pennsylvania Criminalizes AI Generated Explicit Images

On October 29, 2024, Senate Bill 1213 was passed into law. Existing law in the state criminalizes of the distribution of sexually explicit images without one's consent. The purpose of the bill is to modernize such laws to include AI generated content of this nature, as well as deepfake images of minors and child sexual abuse materials that are created by AI. With these additions, law enforcement will be able to prosecute individuals who generate and disperse such AI generated content, which was not prohibited under past laws.

Georgia Establishes AI Committee

On October 22, 2024, Chief Justice Michael P. Boggs established the Judicial Council of Georgia's Ad Hoc Committee on Artificial Intelligence as well as the Courts in partnership with the National Center for State Courts. The committee will assess the benefits and risks associated with the usage of AI in the court system and make recommendations to "help maintain public trust and confidence in the judicial system."

EU and UK Updates

UK Signs First International AI Treaty

On September 5, 2024, the UK government signed the Council of Europe's Framework Convention on AI and human rights, democracy and the rule of law. This is the first-ever international, legally binding agreement that seeks to address the risks posed by AI and protect democracy and the rule of law. Other signatories now include the EU Commission, Iceland, Norway and the United States. The UK government intends to work closely with regulators, the devolved administrations and local authorities to ensure the Convention is properly implemented. Lord Chancellor and Justice Secretary Shabana Mahmood said, "This convention is a major step to ensuring that these new technologies can be harnessed without eroding our oldest values, like human rights and the rule of law."

EU Commission Makes Calls for AI Factories to Boost European Leadership in AI

On September 10, 2024, the EU Commission made two calls for expressions of interest from host entities to host and operate so-called AI Factories, which will be AI super-computing and service infrastructures. Applications will be reviewed on a rolling basis until December 31, 2025. This initiative, which is led by the EuroHPC Joint Undertaking, seeks to create 'one-stop shops' for AI users, including start-ups, small and medium-sized enterprises (SMEs) and scientific researchers. The EU's total contribution to the establishment and operation of AI Factories is estimated at a maximum of €180 million.

EU Extends Deadline to Participate in Development of General-Purpose AI Code of Practice

The EU sought input from key stakeholders, including providers of general-purpose AI (GPAI), civil society organizations, industry, academia and other relevant stakeholders, on codes of practice for GPAI. Article 56 of the EU AI Act requires the AI Office to develop codes of practice, particularly in relation to GPAI, which must be implemented by May 2, 2025. The process will involve four distinct working groups, overseen by chairpersons and vice-chairpersons appointed by the AI Office, aimed at gathering input from a wide spectrum of stakeholders. The final version of the code of practice is anticipated to be published in April 2025, serving as a guide for companies as harmonized standards are developed and adopted.

The AI Office extended the deadline for consultation to September 18, 2024. For more information, see Akin's Data Dive post here.

UK House of Lords Launches Bill on AI in the Public Sector

On September 9, 2024, the House of Lords launched a draft law in Parliament to regulate the use of AI in decision-making processes in the public sector – titled the "Public Authority Algorithmic and Automated Decision-Making Systems Bill.". The bill, which has been pushed by Lord Clement-Jones (co-chair of the All-Parliamentary Group on AI), is still in the early stages of the legislative process and it is not yet known whether it is likely to be adopted. Lord Clement-Jones said: "This bill obliges public authorities to publish impact assessments of any automated or AI algorithms they use to make decisions, and to keep a transparency register on automated decision making."

EU Commission Hosts First Meeting of the AI Board

On September 10, 2024, the EU Commission hosted its first official meeting of the AI Board— a key advisory board created by the EU AI Act and comprised of representatives from the Commission and all EU member states. The focus of this inaugural session included the establishment of the AI Board and the adoption of its rules of procedure, as well as updates on EU AI policy, the AI Act's implementation and an exchange of best practices for national approaches to AI governance and implementation of the AI Act.

EU Holds Plenary Session for Development of General-Purpose AI Code of Practice

On September 30, 2024, the EU's AI Office held the plenary session for the development of the code of practice for general-purpose AI GPAI under the EU's Artificial Intelligence Act. Almost 1000 attendees took part in the online plenary where the chairs and vice-chairs of the four working groups were appointed. These individuals bring a combination of expertise from computer science, AI governance and law and will play a pivotal role in shaping GPAI policy in the EU. The working groups will now meet three times to discuss drafts of the code of practice, with the final draft expected at the closing plenary by April 2025. It is intended that the code of practice will help guide companies towards compliance while they await the development and adoption of harmonized standards.

European Economic and Social Committee Urges EU to Boost Investment in AI Infrastructure

In an exploratory opinion published on October 23, 2024, the European Economic and Social Committee EESC has urged the EU to boost its investment in connectivity and infrastructure to support the rapidly evolving field of general-purpose AI. The EESC notes that while the EU's AI Act is the first complete set of laws regulating AI in the world, the EU market is still largely dominated by large tech companies based outside Europe.

China Updates

AI Capacity-Building Action Plan for Good and for All

On September 27, 2024, China announced the AI Capacity-Building Action Plan for Good and for All, which stems from the United Nations (UN) General Assembly resolution, "Enhancing International Cooperation on Capacity-Building of Artificial Intelligence," i.e. A/RES/78/311. The Action Plan identifies 10 actions China will take, including promoting AI and digital

infrastructure connectivity and carrying out cooperation in research & development (R&D) and application of models and language resources, better synergizing AI strategies and strengthening policy exchanges, and actively sharing technical practices.

Regulations on Network Data Security Management

On September 24, 2024, the State Council issued the Regulations on Network Data Security Management with an effective date of January 1, 2025. The Regulations aim to regulate network data processing activities. For network data processors providing generative AI services, the regulations require them to strengthen the security management of training data and related data processing activities, and to take effective measures to prevent and address network security risks.

AI Safety Governance Framework

The National Technical Committee of Cybersecurity published the AI Safety Governance Framework 1.0 on September 9, 2024. The Framework closely integrates the characteristics of artificial intelligence technology, analyzes the sources and manifestations of artificial intelligence risks and proposes corresponding technical responses and comprehensive prevention and control measures, as well as guidelines for the safe development and application of AI, for endogenous security risks such as model algorithm security, data security and system security and application security risks in the network domain, real domain, cognitive domain and ethical domain.

Akin Thought Leadership

CFTC'S Year-End AI "Placeholder" Guidance (December 9, 2024)

EU AI Act Targeted Stakeholders Consultation on Prohibitions and Definition of AI Systems (December 5, 2024)

FDA Finalizes PCCP Guidance for AI-Enabled Medical Devices (December 4, 2024)

Post-Election Takeaways for TMT (November 26, 2024)

AdvaMed Releases AI White Paper (November 25, 2024)

Final Regulations Issued by Treasury Restrict US Investment in Chinese Tech Sector (November 25, 2024)

National Institutes of Health Develops AI Algorithm to Identify Potential Volunteers for Clinical Trials (November 25, 2024)
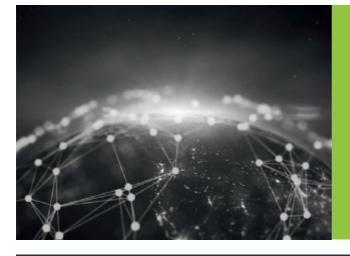
EU AI Act in Action: First Draft General-Purpose AI Code of Practice (November 18, 2024)

FDA and Department of Veteran Affairs Set to Launch Virtual Lab Testing AI Tools, Subject to Trump's Plans (November 8, 2024)
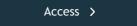
FDA Publishes Digital Health and Artificial Intelligence Glossary (October 11, 2024)

[Senate Leaders File NDAA Package with AI Provisions, Setting the Stage for Lame Duck Negotiations](#) (October 1, 2024)

[FCC Continues Focus on AI, Targeting Robocalls and Political Advertisements](#) (September 30, 2024)

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Questions?

If you have any questions, please contact:

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