



## Solution

# An AI Innovation Agenda

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The AI race is on. Countries, entrepreneurs, and firms across the globe are jockeying to capitalize on artificial intelligence (AI). While it has received much negative publicity, AI creates many opportunities for the economy and country, [as AAF outlined in a primer on this topic](#). To ensure that the United States can benefit from the possibilities of these new technologies, policymakers should work toward implementing the agenda below.

## End the Techlash

One of the runners-up for Oxford Dictionary's word of year in 2018 [was techlash](#), and for good reason. Facebook faced countless scandals, beginning in March. At the end of May, the European Union's General Data Protection Regulation came into effect, and on June 28, the California Consumer Privacy Act (CCPA) was passed. Areas of opportunity for federal policymakers include the following:

- [Appreciate that large firms](#) will take the lead on AI implementation, and be reticent to punish them for being productive;
- Create [a Privacy Law Modernization Commission](#) similar to the Antitrust Modernization Commission; and
- Work with European trading partners to ensure the free flow of digital goods isn't impeded by national privacy laws.

## Executive Action

The Trump Administration, to its credit, has been [prioritizing artificial intelligence](#) within agency operations, and it should continue to do so. The administration could also take several more tangible steps:

- Craft an order similar to [Executive Order 13771](#) directing agencies to create working groups on AI implementation;
- Highlight [the work of the General Services Administration](#) to streamline government services and IT infrastructure using AI; and
- [Encourage the creation](#) of open datasets and data sharing.

## Education Reform

In future years, the economy will be data intensive and in need of workers capable of interpreting and manipulating data. AAF has estimated that by 2024, the United States will be short 1.1 million workers in science, technology, engineering, and math (STEM) occupations. To help educate the next workforce, the administration should consider pursuing several items:

- Reconsider where [Title IV financial aid money](#) can be used, including by evaluating and potentially expanding an Obama Administration pilot project that allowed Title IV financial aid money to be used for massive online open course (MOOCs) and coding boot camps;

- Continue working with states to implement [the Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act](#) that offers flexibility for states using federal resources, ensuring career and technical education (CTE) programs are viable educational routes; and
- Help establish best practices for integration between businesses and education on AI for key sectors including agriculture, manufacturing, minerals, and health care.

### **Support Entrepreneurship and Reform R&D Spending**

The United States stands at the leading edge of innovation, but entrepreneurship has been stymied in recent years due to byzantine regulations. Sparking innovation won't be easy, but policymakers could encourage it in several ways:

- Promote entrepreneurship by rehabilitating the broken immigration system;
- Improve both the National Science Foundation (NSF) and the National Institutes of Health (NIH) by targeting dollars on research with relatively high fixed costs;
- Bolster the effectiveness of the current pool of research and development (R&D) dollars by piloting funding methods other than the committee review system, such as innovation prizes;
- Conduct evaluation studies of NSF and NIH grants and the grant making process, seeking to understand the productive value; and
- Support and encourage experimental foundations like [Emergent Ventures](#).