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Regulation in the Digital Economy: Perspective from the United States

Submitted by: United States



**Workshop on the Digital Economy:
Measurement, Regulation and Inclusion
Santiago, Chile
6 March 2019**

Regulation in the Digital Economy: Perspective from the United States

APEC Economic Committee Workshop
The Digital Economy: Measurement, Regulation and Inclusion

Santiago, Chile
March 6, 2019

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Agenda

Regulatory Philosophy of the U.S.

Regulating the Digital Economy: Areas of Focus

- Automated Vehicles
- Unmanned Aircraft Systems (Drones)
- National Spectrum Strategy

Artificial Intelligence

- Executive Order 13859 on “Maintaining American Leadership in Artificial Intelligence”

Executive Order 12866: “Regulatory Planning and Review”

Issued by President Clinton in October 1993.

- Governs OIRA’s centralized, interagency review of draft regulations.

Regulatory Philosophy

- Regulation must be consistent with law.
- Regulations must identify a compelling public need, such as failures of private markets to protect or improve the health and safety of the public, the environment, or the well-being of the American people.
- Alternatives to address the problem must be identified and assessed.
- The costs and benefits of each alternative must be assessed, and should include both quantifiable measures (to the extent possible) and qualitative measures of impacts that are difficult to quantify but essential to consider.
- The alternative selected should maximize net benefits to society.



Automated Vehicles

Department of Transportation (DOT) Draft Guidance – “Preparing for the Future of Transportation: Automated Vehicles 3.0”

- New draft guidance for automated vehicles (AV) to enable the safe integration of automation into the multimodal surface transportation system.
- Public consultation published on October 9, 2018, following extensive stakeholder engagement.

Key Objectives:

- identify barriers to integration of technology;
- clarify roles; and
- outline a process for working with DOT as technology evolves.



Unmanned Aircraft Systems (“Drones”)

Unmanned Aircraft Systems Integration Pilot Program

- In May 2018, DOT selected ten State, local, and tribal governments as participants in the pilot program.
- The participants will collect drone data on night operations, flights over people and beyond line of sight, package delivery, and other aspects of drone operations.

January 2019 Public Consultations on Drone Regulations

- Proposed regulation to allow drones to fly at night and over people without waivers under certain conditions and further integrate drones safely into the national airspace system.
- Advanced Notice of Proposed Rulemaking that identifies major drone safety and security issues that may pose a threat to other aircraft, to people on the ground, or to national security

National Spectrum Strategy

In October 2018, President Trump signed a Presidential Memorandum directing agencies to develop a national strategy for spectrum policy that accelerates America's deployment of 5G to

- help ensure American leadership in 5G,
- fuel American job growth and economic prosperity, and
- protect our national security through technological advancement.

Public consultation on Developing a Sustainable Spectrum Strategy for America's Future.

- Published on December 20, 2018, by the Department of Commerce's National Telecommunications and Information Administration (NTIA) to request comments from stakeholders on the development of a comprehensive, long-term national spectrum strategy.

Executive Order 13859: “Maintaining American Leadership in Artificial Intelligence”

Issued by President Trump on February 11, 2019.

- Launches the American Artificial Intelligence (AI) Initiative, a strategy for boosting U.S. competitiveness in AI.

Six Strategic Objectives:

- Promote investment in AI-related research and development between government agencies and in collaboration with industry, academia, and international partners;
- Enhance access to high-value Federal data while maintaining safety, security, privacy, and confidentiality protections.
- Reduce the barriers to safe AI adoption and enable the creation of new industries while protecting national security, civil liberties, privacy, and values;
- Ensure that technical standards minimize vulnerability to malicious attacks;
- Train the U.S. workforce to take advantage of an AI-driven economy; and
- Promote U.S. innovation in AI while protecting its technological advantage.



AI Regulatory Applications

AI-based device for medical diagnostics.

- In April 2018, the Food and Drug Administration (FDA) approved the first ever AI-based device for medical diagnostics to detect diabetic retinopathy, the leading cause of blindness among working-age Americans.
- This device can be used by primary care physicians for early detection of this disease to improve the healthcare screening of people with diabetes by doctors who are not normally involved in eye care.

Piloting use of AI for regulatory compliance.

- In March 2018, the General Services Administration announced is considering how to use AI for Prediction of Regulatory Compliance to review contract solicitations.
- This AI tool would use natural language processing, text mining, and machine learning algorithms to automatically predict whether solicitations meet applicable requirements.

References

- Executive Order 12866, Regulatory Planning and Review (September 30, 1993): <https://www.archives.gov/files/federal-register/executive-orders/pdf/12866.pdf>
- Notice of Request for Comments: Preparing for the Future of Transportation: Automated Vehicles 3.0 (October 9, 2018): <https://www.federalregister.gov/documents/2018/10/09/2018-21840/notice-of-request-for-comments-preparing-for-the-future-of-transportation-automated-vehicles-30-av>
- Recent FAA Drone Initiatives: https://www.faa.gov/uas/programs_partnerships/DOT_initiatives/https://www.faa.gov/uas/programs_partnerships/DOT_initiatives/
- Presidential Memorandum on Developing a Sustainable Spectrum Strategy for America's Future (October 25, 2018): <https://www.whitehouse.gov/presidential-actions/presidential-memorandum-developing-sustainable-spectrum-strategy-americas-future/>
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- Executive Order 13859, Maintaining American Leadership in Artificial Intelligence (February 11, 2019): <https://www.whitehouse.gov/presidential-actions/executive-order-maintaining-american-leadership-artificial-intelligence/>