118TH CONGRESS
2D SESSION

S. 4495

To enable safe, responsible, and agile procurement, development, and use of artificial intelligence by the Federal Government, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2024

Mr. PETERS (for himself and Mr. TILLIS) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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A BILL

To enable safe, responsible, and agile procurement, development, and use of artificial intelligence by the Federal Government, and for other purposes.

1   *Be it enacted by the Senate and House of Representa-*

2   *tives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE.**

4   This Act may be cited as the "Promoting Responsible

5   Evaluation and Procurement to Advance Readiness for

6   Enterprise-wide Deployment for Artificial Intelligence

7   Act" or the "PREPARED for AI Act".

8   **SEC. 2. DEFINITIONS.**

9   In this Act:

1 (1) ADVERSE INCIDENT.—The term "adverse

2 incident" means any incident or malfunction of arti-

3 ficial intelligence that directly or indirectly leads

4 to—

5   (A) harm impacting rights or safety, as de-

6 scribed in section 7(a)(2)(D);

7   (B) the death of an individual or damage

8 to the health of an individual;

9   (C) material or irreversible disruption of

10 the management and operation of critical infra-

11 structure, as described in section

12 7(a)(2)(D)(i)(II)(cc);

13   (D) material damage to property or the en-

14 vironment;

15   (E) loss of a mission-critical system or

16 equipment;

17   (F) failure of the mission of an agency;

18   (G) the denial of a benefit, payment, or

19 other service to an individual or group of indi-

20 viduals who would have otherwise been eligible;

21   (H) the denial of an employment, contract,

22 grant, or similar opportunity that would have

23 otherwise been offered; or

24   (I) another consequence, as determined by

25 the Director with public notice.

1 (2) AGENCY.—The term "agency"—

2 (A) has the meaning given that term in

3 section 3502(1) of title 44, United States Code;

4 and

5 (B) includes each of the independent regu-

6 latory agencies described in section 3502(5) of

7 title 44, United States Code.

8 (3) ARTIFICIAL INTELLIGENCE.—The term "ar-

9 tificial intelligence"—

10 (A) has the meaning given that term in

11 section 5002 of the National Artificial Intel-

12 ligence Initiative Act of 2020 (15 U.S.C. 9401);

13 and

14 (B) includes the artificial systems and

15 techniques described in paragraphs (1) through

16 (5) of section 238(g) of the John S. McCain

17 National Defense Authorization Act for Fiscal

18 Year 2019 (Public Law 115–232; 10 U.S.C.

19 4061 note prec.).

20 (4) BIOMETRIC DATA.—The term "biometric

21 data" means data resulting from specific technical

22 processing relating to the unique physical, physio-

23 logical, or behavioral characteristics of an individual,

24 including facial images, dactyloscopic data, physical

1 movement and gait, breath, voice, DNA, blood type,

2 and expression of emotion, thought, or feeling.

3   (5) COMMERCIAL TECHNOLOGY.—The term

4 "commercial technology"—

5   (A) means a technology, process, or meth-

6 od, including research or development; and

7   (B) includes commercial products, commer-

8 cial services, and other commercial items, as de-

9 fined in the Federal Acquisition Regulation, in-

10 cluding any addition or update thereto by the

11 Federal Acquisition Regulatory Council.

12   (6) COUNCIL.—The term "Council" means the

13 Chief Artificial Intelligence Officers Council estab-

14 lished under section 5(a).

15   (7) DEPLOYER.—The term "deployer" means

16 an entity that operates or provides artificial intel-

17 ligence, whether developed internally or by a third-

18 party developer.

19   (8) DEVELOPER.—The term "developer" means

20 an entity that designs, codes, produces, or owns arti-

21 ficial intelligence.

22   (9) DIRECTOR.—The term "Director" means

23 the Director of the Office of Management and Budg-

24 et.

1   (10) IMPACT ASSESSMENT.—The term "impact

2 assessment" means a structured process for consid-

3 ering the implications of a proposed artificial intel-

4 ligence use case.

5   (11) OPERATIONAL DESIGN DOMAIN.—The

6 term "operational design domain" means a set of

7 operating conditions for an automated system.

8   (12) PROCURE OR OBTAIN.—The term "procure

9 or obtain" means—

10   (A) to acquire through contract actions

11   awarded pursuant to the Federal Acquisition

12   Regulation, including through interagency

13   agreements, multi-agency use, and purchase

14   card transactions;

15   (B) to acquire through contracts and

16   agreements awarded through other special pro-

17   curement authorities, including through other

18   transactions and commercial solutions opening

19   authorities; or

20   (C) to obtain through other means, includ-

21   ing through open source platforms or freeware.

22   (13) RELEVANT CONGRESSIONAL COMMIT-

23 TEES.—The term "relevant congressional commit-

24 tees" means the Committee on Homeland Security

25 and Governmental Affairs of the Senate and the

1 Committee on Oversight and Accountability of the

2 House of Representatives.

3 (14) RISK.—The term "risk" means the com-

4 bination of the probability of an occurrence of harm

5 and the potential severity of that harm.

6 (15) USE CASE.—The term "use case" means

7 the ways and context in which artificial intelligence

8 is operated to perform a specific function.

SEC. 3. IMPLEMENTATION OF REQUIREMENTS.

10 (a) AGENCY IMPLEMENTATION.—Not later than 1

11 year after the date of enactment of this Act, the Director

12 shall ensure that agencies have implemented the require-

13 ments of this Act.

14 (b) ANNUAL BRIEFING.—Not later than 180 days

15 after the date of enactment of this Act, and annually

16 thereafter, the Director shall brief the appropriate Con-

17 gressional committees on implementation of this Act and

18 related considerations.

SEC. 4. PROCUREMENT OF ARTIFICIAL INTELLIGENCE.

20 (a) GOVERNMENT-WIDE REQUIREMENTS.—

21 (1) IN GENERAL.—Not later than 1 year after

22 the date of enactment of this Act, the Federal Ac-

23 quisition Regulatory Council shall review Federal

24 Acquisition Regulation acquisition planning, source

25 selection, and other requirements and update the

1 Federal Acquisition Regulation as needed to ensure

2 that agency procurement of artificial intelligence in-

3 cludes—

4   (A) a requirement to address the outcomes

5   of the risk evaluation and impact assessments

6   required under section 8(a);

7   (B) a requirement for consultation with an

8   interdisciplinary team of agency experts prior

9   to, and throughout, as necessary, procuring or

10   obtaining artificial intelligence; and

11   (C) any other considerations determined

12   relevant by the Federal Acquisition Regulatory

13   Council.

14 (2) INTERDISCIPLINARY TEAM OF EXPERTS.—

15 The interdisciplinary team of experts described in

16 paragraph (1)(B) may—

17   (A) vary depending on the use case and

18   the risks determined to be associated with the

19   use case; and

20   (B) include technologists, information se-

21   curity personnel, domain experts, privacy offi-

22   cers, data officers, civil rights and civil liberties

23   officers, contracting officials, legal counsel, cus-

24   tomer experience professionals, and others.

1 (3) ACQUISITION PLANNING.—The acquisition

2 planning updates described in paragraph (1) shall

3 include considerations for, at minimum, as appro-

4 priate depending on the use case—

5 (A) data ownership and privacy;

6 (B) data information security;

7 (C) interoperability requirements;

8 (D) data and model assessment processes;

9 (E) scope of use;

10 (F) ongoing monitoring techniques;

11 (G) type and scope of artificial intelligence

12 audits;

13 (H) environmental impact; and

14 (I) safety and security risk mitigation tech-

15 niques, including a plan for how adverse event

16 reporting can be incorporated, pursuant to sec-

17 tion 5(g).

18 (b) REQUIREMENTS FOR HIGH RISK USE CASES.—

19 (1) IN GENERAL.—

20 (A) ESTABLISHMENT.—Beginning on the

21 date that is 1 year after the date of enactment

22 of this Act, the head of an agency may not pro-

23 cure or obtain artificial intelligence for a high

24 risk use case, as defined in section 7(a)(2)(D),

25 prior to establishing and incorporating certain

1   terms into relevant contracts, agreements, and

2   employee guidelines for artificial intelligence, in-

3   cluding—

4   (i) a requirement that the use of the

5   artificial intelligence be limited to its oper-

6   ational design domain;

7   (ii) requirements for safety, security,

8   and trustworthiness, including—

9   (I) a reporting mechanism

10   through which agency personnel are

11   notified by the deployer of any ad-

12   verse incident;

13   (II) a requirement, in accordance

14   with section 5(g), that agency per-

15   sonnel receive from the deployer a no-

16   tification of any adverse incident, an

17   explanation of the cause of the ad-

18   verse incident, and any data directly

19   connected to the adverse incident in

20   order to address and mitigate the

21   harm; and

22   (III) that the agency has the

23   right to temporarily or permanently

24   suspend use of the artificial intel-

25   ligence if—

1 (aa) the risks of the artifi-
2 cial intelligence to rights or safe-
3 ty become unacceptable, as deter-
4 mined under the agency risk clas-
5 sification system pursuant to sec-
6 tion 7; or

7 (bb) on or after the date
8 that is 180 days after the publi-
9 cation of the most recently up-
10 dated version of the framework
11 developed and updated pursuant
12 to section 22(A)(c) of the Na-
13 tional Institute of Standards and
14 Technology Act (15 U.S.C.
15 278h–1(c)), the deployer is found
16 not to comply with such most re-
17 cent update;

18 (iii) requirements for quality, rel-
19 evance, sourcing and ownership of data, as
20 appropriate by use case, and applicable un-
21 less the head of the agency waives such re-
22 quirements in writing, including—

23 (I) retention of rights to Govern-
24 ment data and any modification to the
25 data including to protect the data

1 from unauthorized disclosure and use

2 to subsequently train or improve the

3 functionality of commercial products

4 offered by the deployer, any relevant

5 developers, or others; and

6 (II) a requirement that the

7 deployer and any relevant developers

8 or other parties isolate Government

9 data from all other data, through

10 physical separation, electronic separa-

11 tion via secure copies with strict ac-

12 cess controls, or other computational

13 isolation mechanisms;

14 (iv) requirements for evaluation and

15 testing of artificial intelligence based on

16 use case, to be performed on an ongoing

17 basis; and

18 (v) requirements that the deployer

19 and any relevant developers provide docu-

20 mentation, as determined necessary and

21 requested by the agency, in accordance

22 with section 8(b).

23 (B) REVIEW.—The Senior Procurement

24 Executive, in coordination with the Chief Artifi-

25 cial Intelligence Officer, shall consult with tech-

1 nologists, information security personnel, do-
2 main experts, privacy officers, data officers,
3 civil rights and civil liberties officers, con-
4 tracting officials, legal counsel, customer experi-
5 ence professionals, and other relevant agency
6 officials to review the requirements described in
7 clauses (i) through (v) of subparagraph (A) and
8 determine whether it may be necessary to incor-
9 porate additional requirements into relevant
10 contracts or agreements.

11 (C) REGULATION.—The Federal Acquisi-
12 tion Regulatory Council shall revise the Federal
13 Acquisition Regulation as necessary to imple-
14 ment the requirements of this subsection.

15 (2) RULES OF CONSTRUCTION.—This Act shall
16 supersede any requirements that conflict with this
17 Act under the guidance required to be produced by
18 the Director pursuant to section 7224(d) of the Ad-
19 vancing American AI Act (40 U.S.C. 11301 note).

20 **SEC. 5. INTERAGENCY GOVERNANCE OF ARTIFICIAL INTEL-**
21 **LIGENCE.**

22 (a) CHIEF ARTIFICIAL INTELLIGENCE OFFICERS
23 COUNCIL.—Not later than 60 days after the date of enact-
24 ment of this Act, the Director shall establish a Chief Arti-
25 ficial Intelligence Officers Council.

1 (b) DUTIES.—The duties of the Council shall in-
2 clude—

3 (1) coordinating agency development and use of
4 artificial intelligence in agency programs and oper-
5 ations, including practices relating to the design, op-
6 eration, risk management, and performance of artifi-
7 cial intelligence;

8 (2) sharing experiences, ideas, best practices,
9 and innovative approaches relating to artificial intel-
10 ligence; and

11 (3) assisting the Director, as necessary, with re-
12 spect to—

13 (A) the identification, development, and co-
14 ordination of multi-agency projects and other
15 initiatives, including initiatives to improve Gov-
16 ernment performance;

17 (B) the management of risks relating to
18 developing, obtaining, or using artificial intel-
19 ligence, including by developing a common tem-
20 plate to guide agency Chief Artificial Intel-
21 ligence Officers in implementing a risk classi-
22 fication system that may incorporate best prac-
23 tices, such as those from—

24 (i) the most recently updated version
25 of the framework developed and updated

1 pursuant to section 22A(c) of the National

2 Institute of Standards and Technology Act

3 (15 U.S.C. 278h–1(c)); and

4 (ii) the report published by the Gov-

5 ernment Accountability Office entitled "Ar-

6 tificial Intelligence: An Accountability

7 Framework for Federal Agencies and

8 Other Entities" (GAO–21–519SP), pub-

9 lished on June 30, 2021;

10 (C) promoting the development and use of

11 efficient, effective, common, shared, or other

12 approaches to key processes that improve the

13 delivery of services for the public; and

14 (D) soliciting and providing perspectives

15 on matters of concern, including from and to—

16 (i) interagency councils;

17 (ii) Federal Government entities;

18 (iii) private sector, public sector, non-

19 profit, and academic experts;

20 (iv) State, local, Tribal, territorial,

21 and international governments; and

22 (v) other individuals and entities, as

23 determined relevant by the Council.

24 (c) MEMBERSHIP OF THE COUNCIL.—

1   (1) CO-CHAIRS.—The Council shall have 2 co-
2   chairs, which shall be—

3   (A) the Director; and

4   (B) an individual selected by a majority of
5   the members of the Council.

6   (2) MEMBERS.—Other members of the Council
7   shall include—

8   (A) the Chief Artificial Intelligence Officer
9   of each agency; and

10   (B) the senior official for artificial intel-
11   ligence of the Office of Management and Budg-
12   et.

13   (d) STANDING COMMITTEES; WORKING GROUPS.—
14 The Council shall have the authority to establish standing
15 committees, including an executive committee, and work-
16 ing groups.

17   (e) COUNCIL STAFF.—The Council may enter into an
18 interagency agreement with the Administrator of General
19 Services for shared services for the purpose of staffing the
20 Council.

21   (f) DEVELOPMENT, ADAPTATION, AND DOCUMENTA-
22 TION.—

23   (1) GUIDANCE.—Not later than 90 days after
24   the date of enactment of this Act, the Director, in

1 consultation with the Council, shall issue guidance

2 relating to—

3   (A) developments in artificial intelligence

4   and implications for management of agency

5   programs;

6   (B) the agency impact assessments de-

7   scribed in section 8(a) and other relevant im-

8   pact assessments as determined appropriate by

9   the Director, including the appropriateness of

10   substituting pre-existing assessments, including

11   privacy impact assessments, for purposes of an

12   artificial intelligence impact assessment;

13   (C) documentation for agencies to require

14   from deployers of artificial intelligence;

15   (D) a model template for the explanations

16   for use case risk classifications that each agen-

17   cy must provide under section 8(a)(4); and

18   (E) other matters, as determined relevant

19   by the Director.

20 (2) ANNUAL REVIEW.—The Director, in con-

21 sultation with the Council, shall periodically, but not

22 less frequently than annually, review and update, as

23 needed, the guidelines issued under paragraph (1).

24 (g) INCIDENT REPORTING.—

1   (1) IN GENERAL.—Not later than 180 days

2 after the date of enactment of this Act, the Director,

3 in consultation with the Council, shall develop proce-

4 dures for ensuring that—

5   (A) adverse incidents involving artificial in-

6   telligence procured, obtained, or used by agen-

7   cies are reported promptly to the agency by the

8   developer or deployer, or to the developer or

9   deployer by the agency, whichever first becomes

10   aware of the adverse incident; and

11   (B) information relating to an adverse inci-

12   dent described in subparagraph (A) is appro-

13   priately shared among agencies.

14   (2) SINGLE REPORT.—Adverse incidents also

15 qualifying for incident reporting under section 3554

16 of title 44, United States Code, or other relevant

17 laws or policies, may be reported under such other

18 reporting requirement and are not required to be ad-

19 ditionally reported under this subsection.

20   (3) NOTICE TO DEPLOYER.—

21   (A) IN GENERAL.—If an adverse incident

22   is discovered by an agency, the agency shall re-

23   port the adverse incident to the deployer and

24   the deployer, in consultation with any relevant

25   developers, shall take immediate action to re-

1 solve the adverse incident and mitigate the po-

2 tential for future adverse incidents.

3 (B) WAIVER.—

4 (i) IN GENERAL.—Unless otherwise

5 required by law, the head of an agency

6 may issue a written waiver that waives the

7 applicability of some or all of the require-

8 ments under subparagraph (A), with re-

9 spect to a specific adverse incident.

10 (ii) WRITTEN WAIVER CONTENTS.—A

11 written waiver under clause (i) shall in-

12 clude justification for the waiver.

13 (iii) NOTICE.—The head of an agency

14 shall forward advance notice of any waiver

15 under this subparagraph to the Director,

16 or the designee of the Director.

17 **SEC. 6. AGENCY GOVERNANCE OF ARTIFICIAL INTEL-**

18 **LIGENCE.**

19 (a) IN GENERAL.—The head of an agency shall—

20 (1) ensure the responsible adoption of artificial

21 intelligence, including by—

22 (A) articulating a clear vision of what the

23 head of the agency wants to achieve by devel-

24 oping, procuring or obtaining, or using artificial

25 intelligence;

1   (B) ensuring the agency develops, pro-

2   cures, obtains, or uses artificial intelligence that

3   follows the principles of trustworthy artificial

4   intelligence in government set forth under Exec-

5   utive Order 13960 (85 Fed. Reg. 78939; relat-

6   ing to promoting the use of trustworthy artifi-

7   cial intelligence in Federal Government) and

8   the principles for safe, secure, and trustworthy

9   artificial intelligence in government set forth

10   under section 2 of Executive Order 14110 (88

11   Fed. Reg. 75191; relating to the safe, secure,

12   and trustworthy development and use of artifi-

13   cial intelligence);

14   (C) testing, validating, and monitoring ar-

15   tificial intelligence and the use case-specific per-

16   formance of artificial intelligence, among oth-

17   ers, to—

18   (i) ensure all use of artificial intel-

19   ligence is appropriate to and improves the

20   effectiveness of the mission of the agency;

21   (ii) guard against bias in data collec-

22   tion, use, and dissemination;

23   (iii) ensure reliability, fairness, and

24   transparency; and

1   (iv) protect against impermissible dis-

2   crimination;

3   (D) developing, adopting, and applying a

4   suitable enterprise risk management framework

5   approach to artificial intelligence, incorporating

6   the requirements under this Act;

7   (E) continuing to develop a workforce

8   that—

9   (i) understands the strengths and

10   weaknesses of artificial intelligence, includ-

11   ing artificial intelligence embedded in

12   agency data systems and operations;

13   (ii) is aware of the benefits and risk

14   of artificial intelligence;

15   (iii) is able to provide human over-

16   sight for the design, implementation, and

17   end uses of artificial intelligence; and

18   (iv) is able to review and provide re-

19   dress for erroneous decisions made in the

20   course of artificial intelligence-assisted

21   processes; and

22   (F) ensuring implementation of the re-

23   quirements under section 8(a) for the identifica-

24   tion and evaluation of risks posed by the de-

1   ployment of artificial intelligence in agency use

2   cases;

3   (2) designate a Chief Artificial Intelligence Offi-

4   cer, whose duties shall include—

5   (A) ensuring appropriate use of artificial

6   intelligence;

7   (B) coordinating agency use of artificial in-

8   telligence;

9   (C) promoting artificial intelligence innova-

10   tion;

11   (D) managing the risks of use of artificial

12   intelligence;

13   (E) supporting the head of the agency with

14   developing the risk classification system re-

15   quired under section 7(a) and complying with

16   other requirements of this Act; and

17   (F) supporting agency personnel leading

18   the procurement and deployment of artificial in-

19   telligence to comply with the requirements

20   under this Act; and

21   (3) form and convene an Artificial Intelligence

22   Governance Board, as described in subsection (b),

23   which shall coordinate and govern artificial intel-

24   ligence issues across the agency.

1   (b) ARTIFICIAL INTELLIGENCE GOVERNANCE

2 BOARD.—

3   (1) LEADERSHIP.—Each Artificial Intelligence

4   Governance Board (referred to in this subsection as

5   ''Board'') of an agency shall be chaired by the Dep-

6   uty Secretary of the agency or equivalent official and

7   vice-chaired by the Chief Artificial Intelligence Offi-

8   cer of the agency. Neither the chair nor the vice-

9   chair may assign or delegate these roles to other of-

10   ficials.

11   (2) REPRESENTATION.—The Board shall, at a

12   minimum, include representatives comprised of sen-

13   ior agency officials from operational components, if

14   relevant, program officials responsible for imple-

15   menting artificial intelligence, and officials respon-

16   sible for information technology, data, privacy, civil

17   rights and civil liberties, human capital, procure-

18   ment, finance, legal counsel, and customer experi-

19   ence.

20   (3) EXISTING BODIES.—An agency may rely on

21   an existing governance body to fulfill the require-

22   ments of this subsection if the body satisfies or is

23   adjusted to satisfy the leadership and representation

24   requirements of paragraphs (1) and (2).

1   (c) DESIGNATION OF CHIEF ARTIFICIAL INTEL-

2 LIGENCE OFFICER.—The head of an agency may des-

3 ignate as Chief Artificial Intelligence Officer an existing

4 official within the agency, including the Chief Technology

5 Officer, Chief Data Officer, Chief Information Officer, or

6 other official with relevant or complementary authorities

7 and responsibilities, if such existing official has expertise

8 in artificial intelligence and meets the requirements of this

9 section.

10   (d) EFFECTIVE DATE.—Beginning on the date that

11 is 120 days after the date of enactment of this Act, an

12 agency shall not develop or procure or obtain artificial in-

13 telligence prior to completing the requirements under

14 paragraphs (2) and (3) of subsection (a).

15 **SEC. 7. AGENCY RISK CLASSIFICATION OF ARTIFICIAL IN-**

16   **TELLIGENCE USE CASES FOR PROCUREMENT**

17   **AND USE.**

18   (a) RISK CLASSIFICATION SYSTEM.—

19   (1) DEVELOPMENT.—The head of each agency

20   shall be responsible for developing, not later than 1

21   year after the date of enactment of this Act, a risk

22   classification system for agency use cases of artifi-

23   cial intelligence, without respect to whether artificial

24   intelligence is embedded in a commercial product.

25   (2) REQUIREMENTS.—

1   (A) RISK CLASSIFICATIONS.—The risk
2   classification system under paragraph (1) shall,
3   at a minimum, include unacceptable, high, me-
4   dium, and low risk classifications.

5   (B) FACTORS FOR RISK CLASSIFICA-
6   TIONS.—In developing the risk classifications
7   under subparagraph (A), the head of the agency
8   shall consider the following:

9   (i) MISSION AND OPERATION.—The
10   mission and operations of the agency.

11   (ii) SCALE.—The seriousness and
12   probability of adverse impacts.

13   (iii) SCOPE.—The breadth of applica-
14   tion, such as the number of individuals af-
15   fected.

16   (iv) OPTIONALITY.—The degree of
17   choice that an individual, group, or entity
18   has as to whether to be subject to the ef-
19   fects of artificial intelligence.

20   (v) STANDARDS AND FRAMEWORKS.—
21   Standards and frameworks for risk classi-
22   fication of use cases that support demo-
23   cratic values, such as the standards and
24   frameworks developed by the National In-
25   stitute of Standards and Technology, the

International Standards Organization, and the Institute of Electrical and Electronics Engineers.

(C) CLASSIFICATION VARIANCE.—

(i) CERTAIN LOWER RISK USE CASES.—The risk classification system may allow for an operational use case to be categorized under a lower risk classification, even if the use case is a part of a larger area of the mission of the agency that is categorized under a higher risk classification.

(ii) CHANGES BASED ON TESTING OR NEW INFORMATION.—The risk classification system may allow for changes to the risk classification of an artificial intelligence use case based on the results from procurement process testing or other information that becomes available.

(D) HIGH RISK USE CASES.—

(i) IN GENERAL.—High risk classification shall, at a minimum, apply to use cases for which the outputs of the system—

1   (I) are presumed to serve as a
2   principal basis for a decision or action
3   that has a legal, material, binding, or
4   similarly significant effect, with re-
5   spect to an individual or community,
6   on—

7   (aa) civil rights, civil lib-
8   erties, or privacy;

9   (bb) equal opportunities, in-
10   cluding in access to education,
11   housing, insurance, credit, em-
12   ployment, and other programs
13   where civil rights and equal op-
14   portunity protections apply; or

15   (cc) access to or the ability
16   to apply for critical government
17   resources or services, including
18   healthcare, financial services,
19   public housing, social services,
20   transportation, and essential
21   goods and services; or

22   (II) are presumed to serve as a
23   principal basis for a decision that sub-
24   stantially impacts the safety of, or has

1   the potential to substantially impact

2   the safety of—

3   (aa) the well-being of an in-

4   dividual or community, including

5   loss of life, serious injury, bodily

6   harm, biological or chemical

7   harms, occupational hazards,

8   harassment or abuse, or mental

9   health;

10   (bb) the environment, in-

11   cluding irreversible or significant

12   environmental damage;

13   (cc) critical infrastructure,

14   including the critical infrastruc-

15   ture sectors defined in Presi-

16   dential Policy Directive 21, enti-

17   tled ''Critical Infrastructure Se-

18   curity and Resilience'' (dated

19   February 12, 2013) (or any suc-

20   cessor directive) and the infra-

21   structure for voting and pro-

22   tecting the integrity of elections;

23   or

24   (dd) strategic assets or re-

25   sources, including high-value

1 property and information marked
2 as sensitive or classified by the
3 Federal Government and con-
4 trolled unclassified information.

5 (ii) ADDITIONS.—The head of each
6 agency shall add other use cases to the
7 high risk category, as appropriate.

8 (E) MEDIUM AND LOW RISK USE CASES.—
9 If a use case is not high risk, as described in
10 subparagraph (D), the head of an agency shall
11 have the discretion to define the risk classifica-
12 tion.

13 (F) UNACCEPTABLE RISK.—If an agency
14 identifies, through testing, adverse incident, or
15 other means or information available to the
16 agency, that a use or outcome of an artificial
17 intelligence use case is a clear threat to human
18 safety or rights that cannot be adequately or
19 practicably mitigated, the agency shall identify
20 the risk classification of that use case as unac-
21 ceptable risk.

22 (3) TRANSPARENCY.—The risk classification
23 system under paragraph (1) shall be published on a
24 public-facing website, with the methodology used to
25 determine different risk levels and examples of par-

1 ticular use cases for each category in language that

2 is easy to understand to the people affected by the

3 decisions and outcomes of artificial intelligence.

4 (b) EFFECTIVE DATE.—This section shall take effect

5 on the date that is 180 days after the date of enactment

6 of this Act, on and after which an agency that has not

7 complied with the requirements of this section may not

8 develop, procure or obtain, or use artificial intelligence

9 until the agency complies with such requirements.

10 **SEC. 8. AGENCY REQUIREMENTS FOR USE OF ARTIFICIAL**

11 **INTELLIGENCE.**

12 (a) RISK EVALUATION PROCESS.—

13 (1) IN GENERAL.—Not later than 180 days

14 after the effective date in section 7(b), the Chief Ar-

15 tificial Intelligence Officer of each agency, in coordi-

16 nation with the Artificial Intelligence Governance

17 Board of the agency, shall develop and implement a

18 process for the identification and evaluation of risks

19 posed by the deployment of artificial intelligence in

20 agency use cases to ensure an interdisciplinary and

21 comprehensive evaluation of potential risks and de-

22 termination of risk classifications under such sec-

23 tion.

1   (2) PROCESS REQUIREMENTS.—The risk eval-

2 uation process described in paragraph (1), shall in-

3 clude, for each artificial intelligence use case—

4   (A) identification of the risks and benefits

5   of the artificial intelligence use case;

6   (B) a plan to periodically review the artifi-

7   cial intelligence use case to examine whether

8   risks have changed or evolved and to update the

9   corresponding risk classification as necessary;

10   (C) a determination of the need for tar-

11   geted impact assessments to further evaluate

12   specific risks of the artificial intelligence use

13   case within certain impact areas, which shall in-

14   clude privacy, security, civil rights and civil lib-

15   erties, accessibility, environmental impact,

16   health and safety, and any other impact area

17   relating to high risk classification under section

18   7(a)(2)(D) as determined appropriate by the

19   Chief Artificial Intelligence Officer; and

20   (D) if appropriate, consultation with and

21   feedback from affected communities and the

22   public on the design, development, and use of

23   the artificial intelligence use case.

24   (3) REVIEW.—

1   (A) EXISTING USE CASES.—With respect

2   to each use case that an agency is planning, de-

3   veloping, or using on the date of enactment of

4   this Act, not later than 1 year after such date,

5   the Chief Artificial Intelligence Officer of the

6   agency shall identify and review the use case to

7   determine the risk classification of the use case,

8   pursuant to the risk evaluation process under

9   paragraphs (1) and (2).

10   (B) NEW USE CASES.—

11   (i) IN GENERAL.—Beginning on the

12   date of enactment of this Act, the Chief

13   Artificial Intelligence Officer of an agency

14   shall identify and review any artificial in-

15   telligence use case that the agency will

16   plan, develop, or use and determine the

17   risk classification of the use case, pursuant

18   to the risk evaluation process under para-

19   graphs (1) and (2), before procuring or ob-

20   taining, developing, or using the use case.

21   (ii) DEVELOPMENT.—For any use

22   case described in clause (i) that is devel-

23   oped by the agency, the agency shall per-

24   form an additional risk evaluation prior to

1   deployment in a production or operational

2   environment.

3   (4) RATIONALE FOR RISK CLASSIFICATION.—

4   Risk classification of an artificial intelligence use

5   case shall be accompanied by an explanation from

6   the agency of how the risk classification was deter-

7   mined, which shall be included in the artificial intel-

8   ligence use case inventory of the agency, and written

9   referencing the model template developed by the Di-

10   rector under section 5(f)(1)(D).

11   (b) MODEL CARD DOCUMENTATION REQUIRE-

12 MENTS.—

13   (1) IN GENERAL.—Beginning on the date that

14   is 180 days after the date of enactment of this Act,

15   any time during developing, procuring or obtaining,

16   or using artificial intelligence, an agency shall re-

17   quire, as determined necessary by the Chief Artifi-

18   cial Intelligence Officer, that the deployer and any

19   relevant developer submit documentation about the

20   artificial intelligence, including—

21   (A) a description of the architecture of the

22   artificial intelligence, highlighting key param-

23   eters, design choices, and the machine learning

24   techniques employed;

1   (B) information on the training of the arti-

2   ficial intelligence, including computational re-

3   sources utilized;

4   (C) an account of the source of the data,

5   size of the data, any licenses under which the

6   data is used, collection methods and dates of

7   the data, and any preprocessing of the data un-

8   dertaken, including human or automated refine-

9   ment, review, or feedback;

10   (D) information on the management and

11   collection of personal data, outlining data pro-

12   tection and privacy measures adhered to in

13   compliance with applicable laws;

14   (E) a description of the methodologies

15   used to evaluate the performance of the artifi-

16   cial intelligence, including key metrics and out-

17   comes; and

18   (F) an estimate of the energy consumed by

19   the artificial intelligence during training and in-

20   ference.

21   (2) ADDITIONAL DOCUMENTATION FOR MEDIUM

22   AND HIGH RISK USE CASES.—Beginning on the date

23   that is 270 days after the date of enactment of this

24   Act, with respect to use cases categorized as medium

25   risk or higher, an agency shall require that the

1   deployer of artificial intelligence, in consultation
2   with any relevant developers, submit (including
3   proactively, as material updates of the artificial in-
4   telligence occur) the following documentation:

5   (A) MODEL ARCHITECTURE.—Detailed in-
6   formation on the model or models used in the
7   artificial intelligence, including model date,
8   model version, model type, key parameters (in-
9   cluding number of parameters), interpretability
10   measures, and maintenance and updating poli-
11   cies.

12   (B) ADVANCED TRAINING DETAILS.—A de-
13   tailed description of training algorithms, meth-
14   odologies, optimization techniques, computa-
15   tional resources, and the environmental impact
16   of the training process.

17   (C) DATA PROVENANCE AND INTEGRITY.—
18   A detailed description of the training and test-
19   ing data, including the origins, collection meth-
20   ods, preprocessing steps, and demographic dis-
21   tribution of the data, and known discriminatory
22   impacts and mitigation measures with respect
23   to the data.

24   (D) PRIVACY AND DATA PROTECTION.—
25   Detailed information on data handling prac-

1   tices, including compliance with legal standards,

2   anonymization techniques, data security meas-

3   ures, and whether and how permission for use

4   of data is obtained.

5   (E) RIGOROUS TESTING AND OVER-

6   SIGHT.—A comprehensive disclosure of per-

7   formance evaluation metrics, including accu-

8   racy, precision, recall, and fairness metrics, and

9   test dataset results.

10   (F) NIST ARTIFICIAL INTELLIGENCE RISK

11   MANAGEMENT FRAMEWORK.—Documentation

12   demonstrating compliance with the most re-

13   cently updated version of the framework devel-

14   oped and updated pursuant to section 22A(c) of

15   the National Institute of Standards and Tech-

16   nology Act (15 U.S.C. 278h–1(c)).

17   (3) REVIEW OF REQUIREMENTS.—Not later

18 than 1 year after the date of enactment of this Act,

19 the Comptroller General shall conduct a review of

20 the documentation requirements under paragraphs

21 (1) and (2) to—

22   (A) examine whether agencies and

23   deployers are complying with the requirements

24   under those paragraphs; and

1   (B) make findings and recommendations to

2   further assist in ensuring safe, responsible, and

3   efficient artificial intelligence.

4   (4) SECURITY OF PROVIDED DOCUMENTA-

5   TION.—The head of each agency shall ensure that

6   appropriate security measures and access controls

7   are in place to protect documentation provided pur-

8   suant to this section.

9   (c) INFORMATION AND USE PROTECTIONS.—Infor-

10 mation provided to an agency under subsection (b)(3) is

11 exempt from disclosure under section 552 of title 5,

12 United States Code (commonly known as the "Freedom

13 of Information Act") and may be used by the agency, con-

14 sistent with otherwise applicable provisions of Federal law,

15 solely for—

16   (1) assessing the ability of artificial intelligence

17   to achieve the requirements and objectives of the

18   agency and the requirements of this Act; and

19   (2) identifying—

20   (A) adverse effects of artificial intelligence

21   on the rights or safety factors identified in sec-

22   tion 7(a)(2)(D);

23   (B) cyber threats, including the sources of

24   the cyber threats; and

25   (C) security vulnerabilities.

1 (d) PRE-DEPLOYMENT REQUIREMENTS FOR HIGH

2 RISK USE CASES.—Beginning on the date that is 1 year

3 after the date of enactment of this Act, the head of an

4 agency shall not deploy or use artificial intelligence for a

5 high risk use case prior to—

6   (1) collecting documentation of the artificial in-

7   telligence, source, and use case in agency software

8   and use case inventories;

9   (2) testing of the artificial intelligence in an

10   operational, real-world setting with privacy, civil

11   rights, and civil liberty safeguards to ensure the ar-

12   tificial intelligence is capable of meeting its objec-

13   tives;

14   (3) establishing appropriate agency rules of be-

15   havior for the use case, including required human

16   involvement in, and user-facing explainability of, de-

17   cisions made in whole or part by the artificial intel-

18   ligence, as determined by the Chief Artificial Intel-

19   ligence Officer in coordination with the program

20   manager or equivalent agency personnel; and

21   (4) establishing appropriate agency training

22   programs, including documentation of completion of

23   training prior to use of artificial intelligence, that

24   educate agency personnel involved with the applica-

25   tion of artificial intelligence in high risk use cases on

1   the capacities and limitations of artificial intel-

2   ligence, including training on—

3   (A) monitoring the operation of artificial

4   intelligence in high risk use cases to detect and

5   address anomalies, dysfunctions, and unex-

6   pected performance in a timely manner to miti-

7   gate harm;

8   (B) lessening reliance or over-reliance on

9   the output produced by artificial intelligence in

10   a high risk use case, particularly if artificial in-

11   telligence is used to make decisions impacting

12   individuals;

13   (C) accurately interpreting the output of

14   artificial intelligence, particularly considering

15   the characteristics of the system and the inter-

16   pretation tools and methods available;

17   (D) when to not use, disregard, override,

18   or reverse the output of artificial intelligence;

19   (E) how to intervene or interrupt the oper-

20   ation of artificial intelligence;

21   (F) limiting the use of artificial intelligence

22   to its operational design domain; and

23   (G) procedures for reporting incidents in-

24   volving misuse, faulty results, safety and secu-

25   rity issues, and other problems with use of arti-

1 ficial intelligence that does not function as in-

2 tended.

3 (e) ONGOING MONITORING OF ARTIFICIAL INTEL-

4 LIGENCE IN HIGH RISK USE CASES.—The Chief Artificial

5 Intelligence Officer of each agency shall—

6 (1) establish a reporting system, consistent with

7 section 5(g), and suspension and shut-down proto-

8 cols for defects or adverse impacts of artificial intel-

9 ligence, and conduct ongoing monitoring, as deter-

10 mined necessary by use case;

11 (2) oversee the development and implementa-

12 tion of ongoing testing and evaluation processes for

13 artificial intelligence in high risk use cases to ensure

14 continued mitigation of the potential risks identified

15 in the risk evaluation process;

16 (3) implement a process to ensure that risk

17 mitigation efforts for artificial intelligence are re-

18 viewed not less than annually and updated as nec-

19 essary to account for the development of new

20 versions of artificial intelligence and changes to the

21 risk profile; and

22 (4) adhere to pre-deployment requirements

23 under subsection (d) in each case in which a low or

24 medium risk artificial intelligence use case becomes

25 a high risk artificial intelligence use case.

1 (f) EXEMPTION FROM REQUIREMENTS FOR SELECT

2 USE CASES.—The Chief Artificial Intelligence Officer of

3 each agency—

4   (1) may designate select, low risk use cases, in-

5   cluding current and future use cases, that do not

6   have to comply with all or some of the requirements

7   in this Act; and

8   (2) shall publicly disclose all use cases exempted

9   under paragraph (1) with a justification for each ex-

10   empted use case.

11 (g) EXCEPTION.—The requirements under sub-

12 sections (a) and (b) shall not apply to an algorithm soft-

13 ware update, enhancement, derivative, correction, defect,

14 or fix for artificial intelligence that does not materially

15 change the compliance of the deployer with the require-

16 ments of those subsections, unless determined otherwise

17 by the agency Chief Artificial Intelligence Officer.

18 (h) WAIVERS.—

19   (1) IN GENERAL.—The head of an agency, on

20   a case by case basis, may waive 1 or more require-

21   ments under subsection (d) for a specific use case

22   after making a written determination, based upon a

23   risk assessment conducted by a human with respect

24   to the specific use case, that fulfilling the require-

25   ment or requirements prior to procuring or obtain-

1 ing, developing, or using artificial intelligence would

2 increase risks to safety or rights overall or would

3 create an unacceptable impediment to critical agency

4 operations.

5 (2) REQUIREMENTS; LIMITATIONS.—A waiver

6 under this subsection shall be—

7 (A) in the national security interests of the

8 United States, as determined by the head of the

9 agency;

10 (B) submitted to the relevant congressional

11 committees not later than 15 days after the

12 head of the agency grants the waiver; and

13 (C) limited to a duration of 1 year, at

14 which time the head of the agency may renew

15 the waiver and submit the renewed waiver to

16 the relevant congressional committees.

17 (i) INFRASTRUCTURE SECURITY.—The head of an

18 agency, in consultation with the agency Chief Artificial In-

19 telligence Officer, Chief Information Officer, Chief Data

20 Officer, and other relevant agency officials, shall reevalu-

21 ate infrastructure security protocols based on the artificial

22 intelligence use cases and associated risks to infrastruc-

23 ture security of the agency.

24 (j) COMPLIANCE DEADLINE.—Not later than 270

25 days after the date of enactment of this Act, the require-

1 ments of subsections (a) through (i) of this section shall

2 apply with respect to artificial intelligence that is already

3 in use on the date of enactment of this Act.

SEC. 9. PROHIBITION ON SELECT ARTIFICIAL INTEL-

LIGENCE USE CASES.

6   No agency may develop, procure or obtain, or use ar-

7 tificial intelligence for—

8   (1) mapping facial biometric features of an in-

9   dividual to assign corresponding emotion and poten-

10   tially take action against the individual;

11   (2) categorizing and taking action against an

12   individual based on biometric data of the individual

13   to deduce or infer race, political opinion, religious or

14   philosophical beliefs, trade union status, sexual ori-

15   entation, or other personal trait;

16   (3) evaluating, classifying, rating, or scoring

17   the trustworthiness or social standing of an indi-

18   vidual based on multiple data points and time occur-

19   rences related to the social behavior of the individual

20   in multiple contexts or known or predicted personal

21   or personality characteristics in a manner that may

22   lead to discriminatory outcomes; or

23   (4) any other use found by the agency to pose

24   an unacceptable risk under the risk classification

25   system of the agency, pursuant to section 7.

1 **SEC. 10. AGENCY PROCUREMENT INNOVATION LABS.**

2   (a) IN GENERAL.—An agency subject to the Chief Fi-

3 nancial Officers Act of 1990 (31 U.S.C. 901 note; Public

4 Law 101–576) that does not have a Procurement Innova-

5 tion Lab on the date of enactment of this Act should con-

6 sider establishing a lab or similar mechanism to test new

7 approaches, share lessons learned, and promote best prac-

8 tices in procurement, including for commercial technology,

9 such as artificial intelligence, that is trustworthy and best-

10 suited for the needs of the agency.

11   (b) FUNCTIONS.—The functions of the Procurement

12 Innovation Lab or similar mechanism should include—

13   (1) providing leadership support as well as ca-

14   pability and capacity to test, document, and help

15   agency programs adopt new and better practices

16   through all stages of the acquisition lifecycle, begin-

17   ning with project definition and requirements devel-

18   opment;

19   (2) providing the workforce of the agency with

20   a clear pathway to test and document new acquisi-

21   tion practices and facilitate fresh perspectives on ex-

22   isting practices;

23   (3) helping programs and integrated project

24   teams successfully execute emerging and well-estab-

25   lished acquisition practices to achieve better results;

26   and

1   (4) promoting meaningful collaboration among

2 offices that are responsible for requirements develop-

3 ment, contracting officers, and others, including fi-

4 nancial and legal experts, that share in the responsi-

5 bility for making a successful procurement.

6   (c) STRUCTURE.—An agency should consider placing

7 the Procurement Innovation Lab or similar mechanism as

8 a supporting arm of the Chief Acquisition Officer or Sen-

9 ior Procurement Executive of the agency and shall have

10 wide latitude in structuring the Procurement Innovation

11 Lab or similar mechanism and in addressing associated

12 personnel staffing issues.

13 **SEC. 11. MULTI-PHASE COMMERCIAL TECHNOLOGY TEST**

14   **PROGRAM.**

15   (a) TEST PROGRAM.—The head of an agency may

16 procure commercial technology through a multi-phase test

17 program of contracts in accordance with this section.

18   (b) PURPOSE.—A test program established under

19 this section shall—

20   (1) provide a means by which an agency may

21 post a solicitation, including for a general need or

22 area of interest, for which the agency intends to ex-

23 plore commercial technology solutions and for which

24 an offeror may submit a bid based on existing com-

25 mercial capabilities of the offeror with minimal

1 modifications or a technology that the offeror is de-

2 veloping for commercial purposes; and

3   (2) use phases, as described in subsection (c),

4 to minimize government risk and incentivize com-

5 petition.

6 (c) CONTRACTING PROCEDURES.—Under a test pro-

7 gram established under this section, the head of an agency

8 may acquire commercial technology through a competitive

9 evaluation of proposals resulting from general solicitation

10 in the following phases:

11   (1) PHASE 1 (VIABILITY OF POTENTIAL SOLU-

12 TION).—Selectees may be awarded a portion of the

13 total contract award and have a period of perform-

14 ance of not longer than 1 year to prove the merits,

15 feasibility, and technological benefit the proposal

16 would achieve for the agency.

17   (2) PHASE 2 (MAJOR DETAILS AND SCALED

18 TEST).—Selectees may be awarded a portion of the

19 total contract award and have a period of perform-

20 ance of not longer than 1 year to create a detailed

21 timeline, establish an agreeable intellectual property

22 ownership agreement, and implement the proposal

23 on a small scale.

24   (3) PHASE 3 (IMPLEMENTATION OR RECY-

25 CLE).—

1   (A) IN GENERAL.—Following successful
2   performance on phase 1 and 2, selectees may be
3   awarded up to the full remainder of the total
4   contract award to implement the proposal, de-
5   pending on the agreed upon costs and the num-
6   ber of contractors selected.

7   (B) FAILURE TO FIND SUITABLE SELECT-
8   EES.—If no selectees are found suitable for
9   phase 3, the agency head may determine not to
10   make any selections for phase 3, terminate the
11   solicitation and utilize any remaining funds to
12   issue a modified general solicitation for the
13   same area of interest.

14   (d) TREATMENT AS COMPETITIVE PROCEDURES.—
15 The use of general solicitation competitive procedures for
16 a test program under this section shall be considered to
17 be use of competitive procedures as defined in section 152
18 of title 41, United States Code.

19   (e) LIMITATION.—The head of an agency shall not
20 enter into a contract under the test program for an
21 amount in excess of $25,000,000.

22   (f) GUIDANCE.—

23   (1) FEDERAL ACQUISITION REGULATORY COUN-
24   CIL.—The Federal Acquisition Regulatory Council
25   shall revise the Federal Acquisition Regulation as

1 necessary to implement this section, including re-
2 quirements for each general solicitation under a test
3 program to be made publicly available through a
4 means that provides access to the notice of the gen-
5 eral solicitation through the System for Award Man-
6 agement or subsequent government-wide point of
7 entry, with classified solicitations posted to the ap-
8 propriate government portal.

9 (2) AGENCY PROCEDURES.—The head of an
10 agency may not award contracts under a test pro-
11 gram until the agency issues guidance with proce-
12 dures for use of the authority. The guidance shall be
13 issued in consultation with the relevant Acquisition
14 Regulatory Council and shall be publicly available.

15 (g) SUNSET.—The authority for a test program
16 under this section shall terminate on the date that is 5
17 years after the date the Federal Acquisition Regulation
18 is revised pursuant to subsection (f)(1) to implement the
19 program.

SEC. 12. RESEARCH AND DEVELOPMENT PROJECT PILOT PROGRAM.

22 (a) PILOT PROGRAM.—The head of an agency may
23 carry out research and prototype projects in accordance
24 with this section.

1 (b) PURPOSE.—A pilot program established under

2 this section shall provide a means by which an agency

3 may—

4   (1) carry out basic, applied, and advanced re-

5   search and development projects; and

6   (2) carry out prototype projects that address—

7   (A) a proof of concept, model, or process,

8   including a business process;

9   (B) reverse engineering to address obsoles-

10   cence;

11   (C) a pilot or novel application of commer-

12   cial technologies for agency mission purposes;

13   (D) agile development activity;

14   (E) the creation, design, development, or

15   demonstration of operational utility; or

16   (F) any combination of items described in

17   subparagraphs (A) through (E).

18 (c) CONTRACTING PROCEDURES.—Under a pilot pro-

19 gram established under this section, the head of an agency

20 may carry out research and prototype projects—

21   (1) using small businesses to the maximum ex-

22   tent practicable;

23   (2) using cost sharing arrangements where

24   practicable;

1   (3) tailoring intellectual property terms and
2   conditions relevant to the project and commercializa-
3   tion opportunities; and

4   (4) ensuring that such projects do not duplicate
5   research being conducted under existing agency pro-
6   grams.

7   (d) TREATMENT AS COMPETITIVE PROCEDURES.—
8 The use of research and development contracting proce-
9 dures under this section shall be considered to be use of
10 competitive procedures, as defined in section 152 of title
11 41, United States Code.

12   (e) TREATMENT AS COMMERCIAL TECHNOLOGY.—
13 The use of research and development contracting proce-
14 dures under this section shall be considered to be use of
15 commercial technology, as defined in section 2.

16   (f) FOLLOW-ON PROJECTS OR PHASES.—A follow-on
17 contract provided for in a contract opportunity announced
18 under this section may, at the discretion of the head of
19 the agency, be awarded to a participant in the original
20 project or phase if the original project or phase was suc-
21 cessfully completed.

22   (g) LIMITATION.—The head of an agency shall not
23 enter into a contract under the pilot program for an
24 amount in excess of $10,000,000.

25   (h) GUIDANCE.—

1　　　(1) FEDERAL ACQUISITION REGULATORY COUN-
2　　CIL.—The Federal Acquisition Regulatory Council
3　　shall revise the Federal Acquisition Regulation re-
4　　search and development contracting procedures as
5　　necessary to implement this section, including re-
6　　quirements for each research and development
7　　project under a pilot program to be made publicly
8　　available through a means that provides access to
9　　the notice of the opportunity through the System for
10　　Award Management or subsequent government-wide
11　　point of entry, with classified solicitations posted to
12　　the appropriate government portal.

13　　　(2) AGENCY PROCEDURES.—The head of an
14　　agency may not award contracts under a pilot pro-
15　　gram until the agency, in consultation with the rel-
16　　evant Acquisition Regulatory Council issues and
17　　makes publicly available guidance on procedures for
18　　use of the authority.

19　　(i) REPORTING.—Contract actions entered into under
20　this section shall be reported to the Federal Procurement
21　Data System, or any successor system.

22　　(j) SUNSET.—The authority for a pilot program
23　under this section shall terminate on the date that is 5
24　years from the date the Federal Acquisition Regulation

1 is revised pursuant to subsection (h)(1) to implement the

2 program.

SEC. 13. DEVELOPMENT OF TOOLS AND GUIDANCE FOR TESTING AND EVALUATING ARTIFICIAL INTELLIGENCE.

6 (a) AGENCY REPORT REQUIREMENTS.—In a manner

7 specified by the Director, the Chief Artificial Intelligence

8 Officer shall identify and annually submit to the Council

9 a report on obstacles encountered in the testing and eval-

10 uation of artificial intelligence, specifying—

11 (1) the nature of the obstacles;

12 (2) the impact of the obstacles on agency oper-

13 ations, mission achievement, and artificial intel-

14 ligence adoption;

15 (3) recommendations for addressing the identi-

16 fied obstacles, including the need for particular re-

17 sources or guidance to address certain obstacles; and

18 (4) a timeline that would be needed to imple-

19 ment proposed solutions.

20 (b) COUNCIL REVIEW AND COLLABORATION.—

21 (1) ANNUAL REVIEW.—Not less frequently than

22 annually, the Council shall conduct a review of agen-

23 cy reports under subsection (a) to identify common

24 challenges and opportunities for cross-agency col-

25 laboration.

1   (2) DEVELOPMENT OF TOOLS AND GUID-

2   ANCE.—

3   (A) IN GENERAL.—Not later than 2 years

4   after the date of enactment of this Act, the Di-

5   rector, in consultation with the Council, shall

6   convene a working group to—

7   (i) develop tools and guidance to as-

8   sist agencies in addressing the obstacles

9   that agencies identify in the reports under

10   subsection (a);

11   (ii) support interagency coordination

12   to facilitate the identification and use of

13   relevant voluntary standards, guidelines,

14   and other consensus-based approaches for

15   testing and evaluation and other relevant

16   areas; and

17   (iii) address any additional matters

18   determined appropriate by the Director.

19   (B) WORKING GROUP MEMBERSHIP.—The

20   working group described in subparagraph (A)

21   shall include Federal interdisciplinary per-

22   sonnel, such as technologists, information secu-

23   rity personnel, domain experts, privacy officers,

24   data officers, civil rights and civil liberties offi-

25   cers, contracting officials, legal counsel, cus-

1 tomer experience professionals, and others, as

2 determined by the Director.

3 (3) INFORMATION SHARING.—The Director, in

4 consultation with the Council, shall establish a

5 mechanism for sharing tools and guidance developed

6 under paragraph (2) across agencies.

7 (c) CONGRESSIONAL REPORTING.—

8 (1) IN GENERAL.—Each agency shall submit

9 the annual report under subsection (a) to relevant

10 congressional committees.

11 (2) CONSOLIDATED REPORT.—The Director, in

12 consultation with the Council, may suspend the re-

13 quirement under paragraph (1) and submit to the

14 relevant congressional committees a consolidated re-

15 port that conveys government-wide testing and eval-

16 uation challenges, recommended solutions, and

17 progress toward implementing recommendations

18 from prior reports developed in fulfillment of this

19 subsection.

20 (d) SUNSET.—The requirements under this section

21 shall terminate on the date that is 10 years after the date

22 of enactment of this Act.

23 **SEC. 14. UPDATES TO ARTIFICIAL INTELLIGENCE USE CASE**

24 **INVENTORIES.**

25 (a) AMENDMENTS.—

1   (1) ADVANCING AMERICAN AI ACT.—The Ad-
2 vancing American AI Act (Public Law 117–263; 40
3 U.S.C. 11301 note) is amended—

4   (A) in section 7223(3), by striking the pe-
5   riod and inserting "and in section 5002 of the
6   National Artificial Intelligence Initiative Act of
7   2020 (15 U.S.C. 9401).''; and

8   (B) in section 7225, by striking subsection
9   (d).

10   (2) EXECUTIVE ORDER 13960.—The provisions
11 of section 5 of Executive Order 13960 (85 Fed. Reg.
12 78939; relating to promoting the use of trustworthy
13 artificial intelligence in Federal Government) that
14 exempt classified and sensitive use cases from agen-
15 cy inventories of artificial intelligence use cases shall
16 cease to have legal effect.

17 (b) COMPLIANCE.—

18   (1) IN GENERAL.—The Director shall ensure
19 that agencies submit artificial intelligence use case
20 inventories and that the inventories comply with ap-
21 plicable artificial intelligence inventory guidance.

22   (2) ANNUAL REPORT.—The Director shall sub-
23 mit to the relevant congressional committees an an-
24 nual report on agency compliance with artificial in-
25 telligence inventory guidance.

1   (c) DISCLOSURE.—

2   (1) IN GENERAL.—The artificial intelligence in-

3   ventory of each agency shall publicly disclose—

4   (A) whether artificial intelligence was de-

5   veloped internally by the agency or procured ex-

6   ternally, without excluding any use case on

7   basis that the use case is ''sensitive'' solely be-

8   cause it was externally procured;

9   (B) data provenance information, including

10   identifying the source of the training data of

11   the artificial intelligence, including internal gov-

12   ernment data, public data, commercially held

13   data, or similar data;

14   (C) the level of risk at which the agency

15   has classified the artificial intelligence use case

16   and a brief explanation for how the determina-

17   tion was made;

18   (D) a list of targeted impact assessments

19   conducted pursuant to section 7(a)(2)(C); and

20   (E) the number of artificial intelligence use

21   cases excluded from public reporting as being

22   ''sensitive.''

23   (2) UPDATES.—

24   (A) IN GENERAL.—When an agency up-

25   dates the public artificial intelligence use case

1   inventory of the agency, the agency shall dis-

2   close the date of the modification and make

3   change logs publicly available and accessible.

4   (B) GUIDANCE.—The Director shall issue

5   guidance to agencies that describes how to ap-

6   propriately update artificial intelligence use case

7   inventories and clarifies how sub-agencies and

8   regulatory agencies should participate in the ar-

9   tificial intelligence use case inventorying proc-

10   ess.

11   (d) CONGRESSIONAL REPORTING.—The head of each

12   agency shall submit to the relevant congressional commit-

13   tees a copy of the annual artificial intelligence use case

14   inventory of the agency, including—

15   (1) the use cases that have been identified as

16   ''sensitive'' and not for public disclosure; and

17   (2) a classified annex of classified use cases.

18   (e) GOVERNMENT TRENDS REPORT.—Beginning 1

19   year after the date of enactment of this Act, and annually

20   thereafter, the Director, in coordination with the Council,

21   shall issue a report, based on the artificial intelligence use

22   cases reported in use case inventories, that describes

23   trends in the use of artificial intelligence in the Federal

24   Government.

25   (f) COMPTROLLER GENERAL.—

1   (1) REPORT REQUIRED.—Not later than 1 year

2   after the date of enactment of this Act, and annually

3   thereafter, the Comptroller General of the United

4   States shall submit to relevant congressional com-

5   mittees a report on whether agencies are appro-

6   priately classifying use cases.

7   (2) APPROPRIATE CLASSIFICATION.—The

8   Comptroller General of the United States shall ex-

9   amine whether the appropriate level of disclosure of

10   artificial intelligence use cases by agencies should be

11   included on the High Risk List of the Government

12   Accountability Office.

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