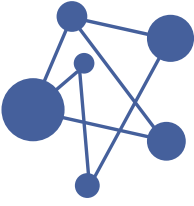


ARTIFICIAL INTELLIGENCE



Why it matters to startups:

Recent breakthroughs in artificial intelligence build on decades of startups using AI to solve everyday problems and build innovative products, leading to record levels of investment in AI startups. But that brings with it record levels of skepticism and scrutiny from policymakers looking to regulate AI. Potential AI regulations in the U.S. and around the world can shape how the technology is developed, what it can be used for, and at what cost—all impacting the competitiveness of startups—but AI policy debates are dominated by concerns about large market participants and specific uses of AI, like headline-grabbing generative AI models.

KEY TAKEAWAYS:

- Startups contribute overwhelmingly to economic growth and drive innovation and adoption of new technologies like AI, but are put at a competitive disadvantage when regulations are designed with large market participants in mind.
- Policymakers looking to regulate AI must account for the wide and diverse range of socially beneficial uses of the technology and must arrive at a balanced framework that enables startups to compete and succeed.

What policymakers can do:

Startups are key stakeholders in AI policy and policymakers should make sure that they evaluate potential AI frameworks with startups in mind and take steps to support startup competitiveness in the AI ecosystem. It's critical that AI policy conversations consider the impact any policy changes would have on the entire AI ecosystem, including startups that are using AI technologies in innocuous and beneficial ways. To address risks without burdening innovation, policymakers should supplement existing laws where needed, be precise as to not burden innocuous, low-risk AI applications, and leverage safe harbors to incent the adoption of best practices.

To support startup competitiveness, policymakers should bolster AI resources and AI talent, including by building and funding the National AI Research Resource. Balanced intellectual property and intermediary liability frameworks have been critical to startup success and should be maintained, and policymakers should avoid creating new vectors for exploitative legal threats to be brought against startups.



STARTUP SPOTLIGHT

Camino Financial

(Los Angeles, Calif.)

Kenny Salas, Co-founder & COO

Camino Financial supports entrepreneurs and small business owners from disadvantaged communities through an AI-powered direct lending platform.

“A big part of our work is not only building the AI model but also the data acquisition strategy. Companies that have greater access to large datasets have the upper hand in the AI space. And conceptually, the government has access to a lot of data that could help inform models that achieve more equitable outcomes. If the government were to develop AI datasets available to the public for research, these would be very attractive for us and other companies like us to use. Any data we don't already have access to is a good thing for our ability to grow and innovate.”