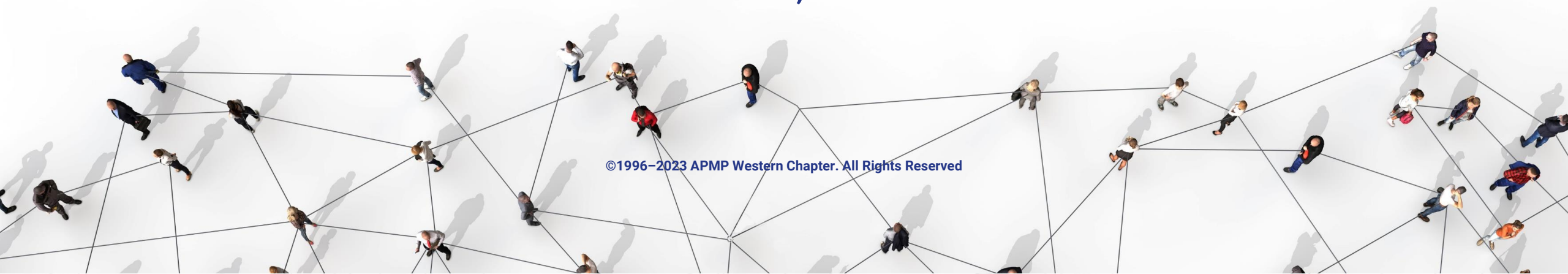# AI in the Spotlight: Balancing Governance and Ethics for Proposal Managers
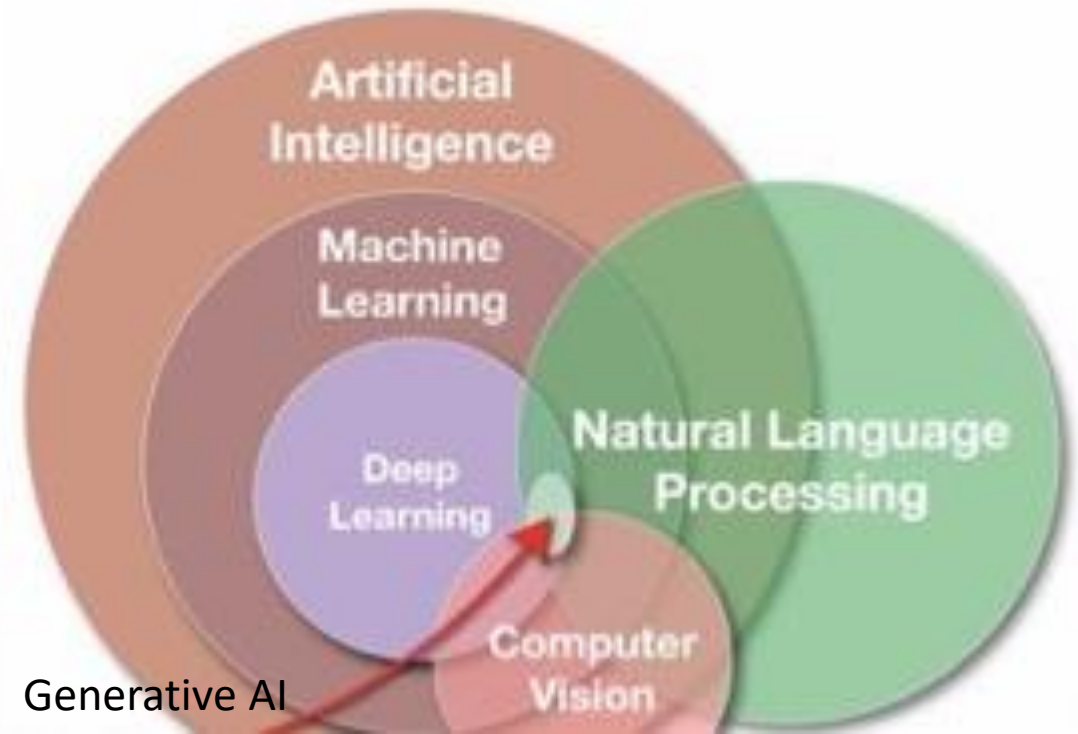
Melle Melkumian, MFA, CP APMP
Cofounder, AI4CES

Agenda

- The Legal Landscape

- Governance Principles in AI

- Ethical Challenges in AI

- Opportunities and Solutions

- Future Outlook

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Introduction to Generative AI

- Adaptive Algorithms
  - Learn and improve over time
  - Creating new, coherent data based on the input it has been trained on

- Content Creation & Augmentation:
  - Assist in creating text, images, music, etc… to augment creative processes

- Personalized Experiences:
  - Education: developing personalized learning pathways
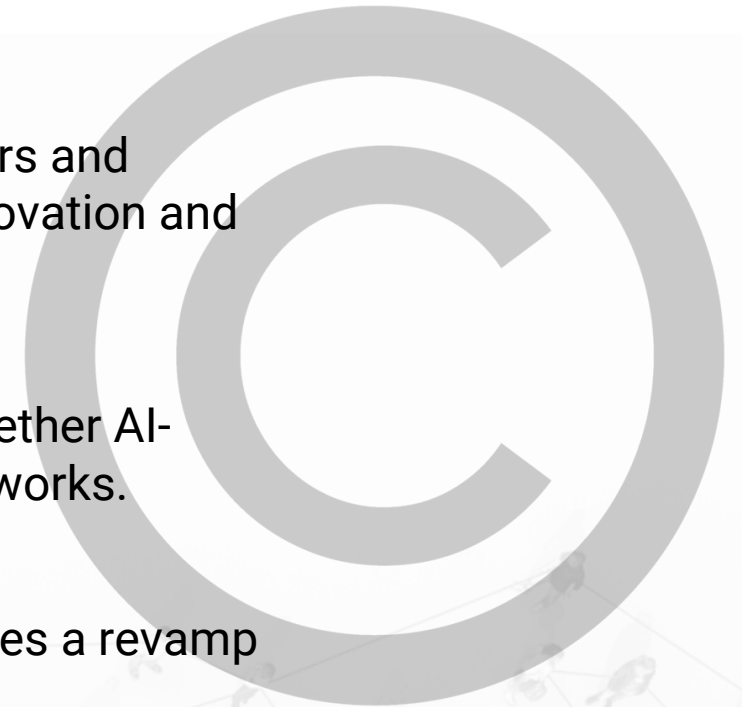 - Marketing: creating tailored marketing strategies.

Generative AI & Large Language Models (LLM)

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The Legal Landscape

Generative AI and Copyright

US Copyright Office (USCO) conducted listening sessions earlier this year to understand various perspectives from different sectors

- Fair Use:
  - Strives to maintain balance between the rights of the copyright holders and fostering reasonable uses that facilitate public benefit and foster innovation and creativity.

- Economic Impacts:
  - The core concern here revolves around market harm, considering whether AI-generated content can potentially affect market demand for original works.

- New Licensing Models:
  - AI systems create content influenced by copyrighted materials requires a revamp of traditional licensing frameworks.

- International Implications:
  - Goals for international treaties.

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Generative AI in California

- 35 of the world's top 50 AI companies reside here

- Executive order September 6th
  - California will focus on shaping the future of ethical, transparent, and trustworthy AI

- Includes:
  - Risk-Analysis Report
  - Procurement Blueprint
  - Beneficial Uses of GenAI Report
  - Deployment and Analysis Framework
  - State Employee Training
  - GenAI Partnership and Symposium
  - Legislative Engagement
  - Ongoing Analysis

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Generative AI and Ethics

Bias and Fairness:

Addressing and mitigating biases in AI algorithms is essential to ensure fairness and inclusivity.

Privacy Concerns:

Handle data responsibly, safeguarding individual privacy and adhering to relevant data protection regulations.

Accountability and Transparency:

Developers and users of AI technologies should prioritize transparency in AI algorithms to foster trust and facilitate understanding

Safe and Beneficial AI:

Creating AI that aligns with human values and operates within defined and ethically accepted boundaries, avoiding potential harms and adverse impacts on society.

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Governance Principles in AI
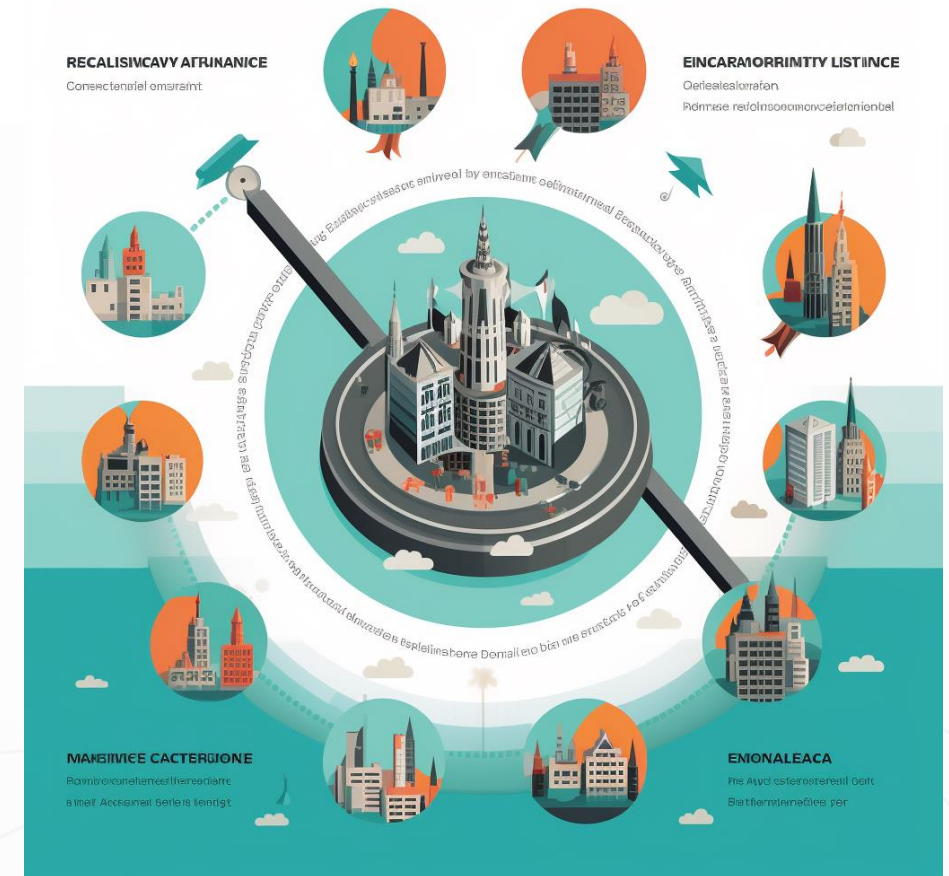
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What is Governance in AI?

- Definition: Governance in AI refers to the ethical and operational guidelines that oversee AI development and usage.

- Importance: Ensures ethical and transparent AI practices.

- Consequences: Poor governance can lead to legal repercussions and loss of stakeholder trust.

- Governance in AI is like the rulebook in a game.

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Key Governance Principles

- Transparency: Openness about how AI algorithms work.

- Accountability: Holding entities responsible for AI actions.

- Fairness: Ensuring unbiased and equitable AI operations.

- Interrelation: All three principles work in tandem for effective governance.

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Role of Governance in Proposal Management

- Ethical Data Collection: Ensures data used is sourced responsibly.

- Algorithmic Decision-Making: Governance provides a framework for ethical algorithms.

- Conflict of Interest: Prevents unethical advantages in proposal evaluations.

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Ethical Challenges in AI

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Data Privacy

- Types of Data: Personal, financial, and operational data.

- Risks: Data breaches, identity theft, and financial loss.

- Laws: GDPR, CCPA, and other data protection regulations.

- Best Practices: Encryption, anonymization, and regular audits.

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Algorithmic Bias

- Definition: Inherent or learned bias in AI algorithms.

- Examples: Gender bias in job proposal evaluations.

- Sources: Biased training data, human prejudices.

- Mitigation: Regular audits, diverse training data.

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Responsible Use of AI

Ethical Boundaries: What AI should and shouldn't do.

AI for Good: Using AI to improve proposal quality and fairness.

Potential for Misuse: Over-reliance, job loss.

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Opportunities and Solutions

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Leveraging Governance for Better AI

- Improving Fairness: Governance can standardize fairness metrics.

- Data Integrity: Ensures high-quality, unbiased data.

- Enhanced Transparency: Clear documentation and open algorithms.

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Future Outlook

Future Challenges

- Emerging Tech: Quantum computing, neural networks.

- Evolving Governance: New laws and guidelines.

- Innovation vs. Ethics: Striking a balance.

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Future Opportunities

- Equitable Systems: Governance for social good.

- Public Trust: Transparency fosters trust.

- Upcoming Tech: AI in green energy proposals.

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Getting Started

- Risk-Analysis Report

- Procurement Blueprint

- Beneficial Uses of GenAI Report

- Deployment and Analysis Framework

- State Employee Training

- GenAI Partnership and Symposium

- Legislative Engagement

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