

TESTIMONY

Submitted to the Joint Committee on Advanced Information Technology, the Internet and Cybersecurity

Informational Hearing

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Chair Farley-Bouvier, Chair Moore, and members of the Committee – thank you for the opportunity to testify at this hearing today. My name is Elizabeth Mahoney and I am the Vice President of Policy and Government Affairs for the Massachusetts High Technology Council.

The High Tech Council is the Commonwealth’s oldest cross-sector association of CEO-level leaders of technology, professional services, and research institutions. The Council has a 46-year history of non-partisan advocacy in support of our mission to make Massachusetts the world’s most attractive place in which to live and work, and in which to create, operate, and grow high technology businesses.

We have members that directly operate in the cybersecurity, artificial intelligence, and data security spaces, as well as members that, like just about every other organization in Massachusetts, have to be aware of these issues and how they impact their business.

To say the fields of artificial intelligence, cybersecurity, and data security are rapidly evolving would be an understatement. Every day seems to bring headlines about the potential applications, and potential dangers, of new technologies—whether that’s AI chat tools, “deep fake” videos, or ransomware attacks.

There are exciting possibilities, not only for how these technologies can improve our lives, but also for the new businesses and new jobs that can emerge in these sectors. At the same time, there is a role for policymakers to play in ensuring that, as these technologies evolve, protections are in place for consumers and their data.

As this committee and the Legislature consider policy and regulatory frameworks for areas like cybersecurity, data security, and artificial intelligence, the High Tech Council urges you to keep in mind a few considerations:

1. What role Massachusetts and other states should play in establishing rules and regulations, and what role the federal government can and should play
2. The rapidly developing nature of technologies like AI and the challenge of regulating them
3. How we can make Massachusetts a leader in these emerging industries

In considering what role states like Massachusetts should play, the High Tech Council believes there are some issues where it may make sense for the federal government to take the lead, rather than having individual states each set their own rules.

For instance, on cybersecurity and cyber incident reporting—several federal agencies (such as CISA, SEC, FTC, the Federal Reserve) have or are developing cyber incident reporting requirements, and some states also have or are pursuing requirements. In some cases, different agencies may have conflicting or overlapping reporting requirements, making it difficult for companies acting in good faith to comply with all of them, particularly if they are also in the midst of responding to a cyberattack.

There are good indications that the federal government intends to take a strong, coordinated approach to cybersecurity. On March 2, the Biden-Harris Administration released the National Cybersecurity Strategy which seeks to ensure coordination within the federal government, as well as work in partnership with industry and state and local governments to secure cyberspace.

At the state level, it may make sense to establish a commission or study to consider what steps Massachusetts could take on its own, which would be complementary to, and not duplicative of, any steps the federal government takes. For example, federal cyber incident regulations tend to apply to larger organizations and particular types of organizations, such as financial institutions and critical infrastructure organizations. Massachusetts already has a law requiring disclosure of certain data breaches. A commission could consider if there are types or sizes of institutions that are not covered by federal rules, and whether Massachusetts should have a narrowly tailored set of rules for those entities. A commission which includes industry experts could help ensure any such rules are crafted in a way to not be overly burdensome, particularly for smaller businesses.

Having multiple rules and standards, and different rules in different states, is particularly challenging for small businesses to comply with, which is why a single federal standard is sometimes preferred. Businesses naturally operate across state lines when it comes to technology and the internet—their customers and users could be located anywhere, and if there's a different set of rules in each location, that can be very difficult for a smaller business to navigate and comply with.

Another consideration is how quickly technologies like artificial intelligence are developing and evolving, which can make it challenging to put in place meaningful guardrails. AI raises difficult questions, like: are there any industries or settings where AI should be prohibited or strictly regulated? Or how do we prevent or control for bias in AI tools, for instance in the case of a company using AI to screen resumes in its hiring process? Private organizations and industries will have to establish their own rules and standards around issues like these. And on this topic as well, a commission may help state policymakers to grapple with these questions and what role state government can and should play.

Given the ever-evolving nature of technology, if Massachusetts does implement any state-level standards or rules relating to AI and its uses, we should commit to regularly reviewing these rules to make sure they still fit the reality of the technologies and are not having any unintended consequences.

While there are many challenges to consider with these new technologies, there is also an opportunity for Massachusetts to be a global leader in the innovation and development of these sectors. The High Tech Council's MassVision2050 initiative is a sustained, multi-year collaboration between private, public, and academic leaders to generate bold ideas for Massachusetts' future in several sectors, including cybersecurity and artificial intelligence. Our goal is to select the most important trends in technology, determine their implications for Massachusetts, and publish the results, focusing on strategies that support these key sectors in driving employment and economic growth in Massachusetts in the coming decades. We would welcome the opportunity to continue to engage with this committee as we undertake this work.

Thank you again for convening this important discussion today. As you tackle these complicated and rapidly changing issues, the High Tech Council and its members stand ready to assist you and share their expertise.