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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA ʻOIHANA LOIHELU A LAWELAWE LAULĀ*

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Testimony of
CHRISTINE M. SAKUDA
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Before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
Friday, January 31, 2025

HOUSE BILL NO. 1384
RELATING TO ARTIFICIAL INTELLIGENCE

Dear Chair Iligan, Vice Chair Hussey and members of the committee:

The Office of Enterprise Technology Services (ETS) **supports** this bill to create the Hawaiʻi Artificial Intelligence Advisory Council and offers a few recommendations.

We believe the creation of the Hawaiʻi Artificial Intelligence Advisory Council would benefit the state by helping to provide guidance, coordination and insight into a quickly growing and potentially beneficial tool that may be able to enhance the state's ability to deliver services to the public. The development of an action plan along with a report to the legislature that include findings and recommendations will ultimately help drive policy and ensure a more unified approach to this expanding tool.

The State Data Task Force, led by ETS's Chief Data Officer, was created by Act 167 (2022) and has recently created data/AI vision, mission, strategy and responsible data/AI use standards for state agencies. Those standards have been approved by the Data Task Force in a final version and will be published soon.

Upon reviewing this proposed legislation, we would humbly recommend the committee's consideration of the following changes:

1. Section 2 (a) (2), Section 2 (c) (8), Section 2 (d) (1) and Section 2 (d) (6): We recommend changing Section 2 (a) (2), Section 2 (c) (8), Section 2 (d) (1) and Section 2 (d) (6) to cover AI vendors in the state of Hawaiʻi to ensure statewide responsible use of AI. It is the vendors that pose the potential risk for AI usage. We should control the risk from the source.

2. Section 2 (c) (7): We recommend that analysis of AI uses remain the responsibility of each department for their own AI systems and not moved to the AI council. With so many AI systems already in use this would be a large task for the council. We recommend this section be deleted.

3. Section 2 (d) (3) and (5): Departments are already using AI to improve operational efficiency. Departments define AI use cases and prioritize based on impacts. State employees get support on AI transition with each use case implementation just like any other transformational technology. This is part of change management. We recommend Section 2 (d) (3) and (5) be deleted.

ETS agrees that the rapid development of AI creates opportunities for economic growth and workforce development while creating additional risk for the state. We agree that this council should focus on these challenges and develop appropriate policies.

ETS supports the appropriation of $1 million over two years to hire two permanent FTE positions to support the council, for procurement of consultancy services, and for other administrative and operating costs.

Thank you for the opportunity to provide testimony on this measure.

Submitted By	Organization	Testifier Position	Testify
Michael Olderr	Individual	Oppose	Written Testimony Only

Comments:

AI is a scam. Its value and use are overhyped and always underdelivered. Projects like ChatGPT and mid-journey are text and image calculators built on stolen data and information. Every week, there is some story about how companies fire teams to replace them with AI, only to discover that it only gives the illusion of being productive rather than doing the job. They regularly hallucinate information that looks convincing but doesn't hold up to scrutiny. More often than not, it facilitates a lot of misinformation based on racism and sexism and, in a couple of tragic cases, promotes self-harm. AI's biggest deflector to this is that the problem may be sorted out in the future, but the harm it's doing is here and credible. And there is no evidence that their structural failings mentioned above are going away anytime soon. Please don't give them any more credibility and defer this bill.

HB-1384
Submitted on: 1/29/2025 10:00:39 PM
Testimony for ECD on 1/31/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Artificial intelligence is going to be a transformative technology development for our generation. Getting it done RIGHT will be a defining challenge for Hawaii. This is an important FIRST step to properly utilizing artificial intelligence in a way that can TREMENDOUSLY benefit us.

I strongly urge this Committee to SUPPORT this bill!

Submitted By	Organization	Testifier Position	Testify
Master Shelby "PikachU" Billionaire	Kingdom of The Hawaiian Islands	Comments	Remotely Via Zoom

Comments:

Aloha Membes of the House of Representatives & Respective Committee Members,

I have read your HB1384 and found concerns related to this bill, specifically focusing on issues with individuals lacking AI control, know nothing about cryptography, coding, and potential misuse & corruption within government bureaucracy:

Major Concerns:

1. Temporary Duration:
   o The bill's limited lifespan might not account for the long-term governance needed in an area as dynamic as AI.
2. Insufficient Resources:
   o The allocated budget and staffing might not suffice for comprehensive AI policy development and oversight.
3. Lack of Clear Implementation Pathways:
   o There's a risk that good recommendations might not translate into action without clear implementation strategies.
4. Ethics and Bias:
   o The bill lacks detailed provisions on how to address ethical issues and mitigate biases in AI applications.
5. Public Engagement:
   o Insufficient mechanisms for public input might lead to policies not reflective of societal needs.
6. Data Privacy and Security:
   o There's a notable absence of specific safeguards for data used by AI systems.
7. Human Impact:
   o The bill touches on labor but not enough on wider human implications of AI deployment.

Concerns Specifically Related to AI Knowledge and Government Corruption:

A. Lack of AI Knowledge Among Legislators:

1. Misinformed Policy Decisions:
   o Legislators without a deep understanding of AI might make decisions based on incomplete or incorrect information, potentially leading to ineffective or harmful policies.
2. Over-reliance on External Experts:
   o There's a risk of becoming overly dependent on consultants or industry experts who might not have the state's best interests at heart or might push for policies that benefit their own sectors.
3. Slow Adoption of Best Practices:
   o Without internal expertise, the state might lag in adopting or adapting to best practices in AI governance globally.
4. Public Misinformation:
   o Uninformed legislators might inadvertently spread or act on misinformation about AI, affecting public perception and policy.

B. Corruption and Bureaucratic Inefficiency:

1. Misuse of Funds:
   o There's potential for the allocated budget to be mismanaged or misallocated, either due to corruption or inefficiency, which could undermine the council's effectiveness.
2. Influence of Special Interests:
   o Corrupt or overly bureaucratic processes might allow special interest groups to unduly influence council decisions, skewing AI policy towards those with power or money rather than public good.
3. Lack of Transparency:
   o Without transparent operations, there could be opportunities for corrupt practices in how decisions are made, contracts are awarded, or how AI technologies are implemented in government.
4. Bureaucratic Delays:
   o An overly complex bureaucracy might slow down decision-making or implementation, making the council less responsive to the rapid pace of AI development.
5. Resistance to Change:

- o Older, established members of government might resist or slow down necessary changes due to fear of losing control or lack of understanding of AI's implications.

Areas of Improvement/Concerns:

- Education and Training:
  - o Mandate ongoing education for legislators on AI basics, ethics, and policy implications to ensure informed decision-making.
- Transparency and Oversight:
  - o Implement strict transparency measures for council operations, including public access to meeting minutes, financial decisions, and policy proposals.
- Anti-Corruption Measures:
  - o Establish clear ethical guidelines and conflict of interest policies for council members, with oversight mechanisms to prevent corruption.
- Public Education Initiatives:
  - o Include funding or initiatives to educate the public about AI, fostering a knowledgeable community that can engage with policy-making.
- Broader Expertise Recruitment:
  - o Actively seek younger, tech-savvy individuals or those with recent AI education for advisory roles to counterbalance potential resistance or ignorance among older bureaucrats.
- Public and Stakeholder Engagement:
  - o Ensure that the council's work includes robust mechanisms for public participation to keep policy-making accountable to the broader population.
- Regular Audits and Reviews:
  - o Schedule regular audits of the council's activities to ensure funds are used appropriately and objectives are being met.

By addressing these concerns, the bill can better equip Hawaii to navigate the complexities of AI governance while ensuring that policies are made with integrity and informed by a broad base of knowledge.

The A.I. is more powerful than you know and you can't control it & must limit its abilities in advance before it takes over humanity. A.I. should be an assistant, not the main controller Quantum Computer as in the matrix.

Sincerly,

Master Shelby "Pikachu" Billionaire

Kingdom of The Hawaiian Islands