March 14, 2025

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National Coordination Office (NCO)
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Re: Comments on AI Action Plan

On behalf of the nation's more than 19,000 cities, towns and villages, the National League of Cities (NLC) thanks the White House Office of Science and Technology Policy (OSTP) for the opportunity to provide input on the Artificial Intelligence Action Plan. As the nation's oldest and largest organization representing municipal governments, NLC is pleased to offer feedback on how federal AI policy can foster economic growth, American competitiveness and government innovation, while supporting local governments and local economies as they navigate this technological transformation.

Artificial intelligence, particularly generative AI, has the potential to unlock new efficiencies and service models for local governments and spur local economic growth and activity. It also may negatively impact local economies and labor markets, and may increase the risk of threats to privacy and security. It is vital that the federal government craft a plan that promotes innovation and investment in AI technology, while protecting local decision making, civil liberties, digital privacy, security, and transparency.

Cities, Towns and Villages are Leading the Way on AI

Local governments are already leading the way in AI adoption and governance. According to a recent study, 96% of mayors surveyed expressed interest in using generative AI, and 69% stated

they were actively exploring or testing the technology for their municipality.[1] Cities of all sizes are implementing AI for a wide range of uses. The City of Warner Robins, Georgia has used AI to pair a digital twin of the city with a network of cameras, license plate readers, and sensors to determine the optimal placement of monitoring technologies, analyze crime data, and improve responses to 9-1-1 calls.[2] The City of Tucson, Arizona has leveraged AI to better manage its water pipe infrastructure. The City uses AI to analyze patterns from past pipe failures, predict the segments most likely to fail next, and prioritize maintenance and repair resources accordingly, saving costs on failures and unnecessary replacements.[3]

Many communities have also recognized the need to manage the use of AI by city staff. NLC's City AI Governance Dashboard[4] tracks the use policies developed by cities to manage the use of AI by city staff. NLC has found that city use policies generally address several core themes or priorities: accountability, transparency, privacy protection, fairness and equity, safety and security, and education and training. In recognition of the rapid pace of innovation, many of the featured cities have continued to iterate on and further refine these use policies.

In 2024, NLC convened an Artificial Intelligence Advisory Committee consisting of 20 local elected officials and technology and innovation executives to better understand and evaluate the role and impact of AI-powered tools in local government. Their work culminated in late 2024 with NLC's Artificial Intelligence Report and Toolkit, which provides information on how AI is being used, its implications for local governments, the risks posed by AI and how to minimize exposure to risk, and practical tools for local leaders to proactively plan AI implementation, engage city staff and residents, and assess their readiness for adopting this fast-changing technology.[5]

Municipal Policy Priorities for the Nation's Artificial Intelligence Action Plan

Invest in the Future of Local Economies

The increasing adoption of artificial intelligence throughout all sectors of the nation's economy will shift local economies in unpredictable ways. The AI Action Plan should prioritize domestic research and development of AI and associated industries, such as chip manufacturing. The AI Action Plan should also foster regional economic growth and local capacity for managing and deploying AI, through incentives-based comprehensive funding models that target federal investment where it can make the biggest difference for regional economies.

The AI Action Plan should proactively address the impact of artificial intelligence on the employment market. While AI presents opportunities for the growth of new industries and businesses, it also has the potential to disrupt core industries and employment markets. The plan

[1] Bloomberg Philanthropies. (2023, October 18). State of the Cities: Generative AI in Local Governments. cityaiconnect.jhu.edu/pdfs/Final-Gen-AI-In-Cities-Report_10.18.2023.pdf

[2] National League of Cities. (2024, November). AI Report and Toolkit. https://www.nlc.org/resource/ai-report-and-toolkit/

[3] Ibid.

[4] National League of Cities. (2024, August 16). City AI Governance Dashboard. https://www.nlc.org/resource/city-ai-governance-dashboard/

[5] National League of Cities, AI Report and Toolkit.

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should provide for assistance to negatively affected regions, create pathways to upskilling and reskilling for workers impacted by job market changes, and create an AI education pipeline.

<u>Unleash Local Innovation and Decision Making</u>

Local governments are the test beds for innovative practices, improvements in service delivery, and efficiency in operation. Local leaders must retain the authority to decide on behalf of their own communities the extent to which they adopt artificial intelligence technologies for municipal operations, including piloting innovative new solutions and enacting local prohibitions on governmental usage of certain technologies. The national AI Action Plan should invest in technical assistance and capacity building at the local level to engage with and adopt artificial intelligence within local government, particularly for smaller local governments.

<u>Create Guardrails for Trust and Accountability</u>

The AI Action Plan should establish a regulatory framework for AI that protects public trust and privacy while allowing innovation. The AI Action Plan should recommend specific policies to require the disclosure of AI-generated or altered material, create guardrails to protect the privacy and safety of residents, especially children, and prevent the promotion of AI-generated mis- or disinformation. The AI Action Plan should direct the appropriate agencies to clearly define the legal rights, liabilities, and responsibilities involved in handling AI reference data, the ownership of reference data, and the requirements for disclosure, transparency, and accountability for AI models. Agencies should also define how technology solutions vendors should provide full transparency to clients, including municipalities, on sources of training data for AI-enabled tools, as well as the extent to which client data is used as further training data for AI tools.

<u>Establish a System of Standards</u>

Local governments and other purchasers must conduct due diligence when procuring products and services, and they depend on trustworthy standards to do this work. Federal AI policy should establish processes by which AI tools can be adequately tested for safety, reliability, performance and security according to valid third-party standards to allow local governments and other purchasers to compare these products across these key metrics. These standards should also prioritize vigorous detection and removal of bias within AI tools and ensure human accountability in the development and use of AI tools.

Conclusion

America's cities, towns and villages are ready to partner with the Administration to lead our nation's AI future. Local leaders are eager to explore and leverage the full potential of AI to increase government efficiency, improve service delivery for residents, and drive innovative solutions to community challenges. The AI Action Plan can contribute to this partnership by balancing freedom for technological innovation; guardrails for safety, resident trust, and data protection; preservation of local decision-making authority; and support for communities of all sizes as they seek to modernize their economies and government operations.

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We thank the Administration for this opportunity to provide input on the AI Action Plan and look forward to working together on future efforts to advance the nation's AI competitiveness. If you would like to follow up further, please contact Angelina Panettieri, Legislative Director, Information Technology and Communications at panettieri@nlc.org or 202-626-3196.

Sincerely,

Clarence E. Anthony
CEO and Executive Director
National League of Cities

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