Dear Chair White,

Consumer Reports\(^1\) writes in support of the Stop Discrimination by Algorithms Act. Consumer Reports (CR) applauds the Attorney General for introducing this important piece of legislation. The use of algorithms to determine an individual's access to life opportunities can be concerning without robust transparency and oversight, and has the potential to roll back much of the progress we have made from antidiscrimination law. We believe this bill is an important step to identifying and correcting sources of bias and other harm in algorithms that make critical decisions about DC residents.

While many tech companies tout algorithms and AI as being more objective and unbiased in decision making, often this is not the case. Algorithmic decision making has the potential to not only perpetuate societal biases but also exacerbate them because of a lack of transparency and accountability. Consider an individual applying for a job where the resumes are screened using an algorithm. If the algorithm is trained on data regarding who has been historically successful in getting a particular job in the past, then this could lead to the algorithm screening out those whose resumes may not resemble those previously successful resumes. For industries such as finance or technology which have been historically dominated by white men, for example, this could lead to the discrimination and exclusion of women and minorities.

Employment is not the only sector where this type of bias could lead to the exclusion of people from life opportunities — areas like housing, education, and public accommodations such as credit, healthcare, and insurance are all areas where people could be denied life changing opportunities due to biased algorithms. This bill bans adverse decisions in these areas based on

\(^1\) Founded in 1936, Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR advocates for laws and company practices that put consumers first. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities for today's consumers, and provides ad-free content and tools to 6 million members across the U.S.
traits protected by the DC Human rights act which include race, age, sex, and sexual orientation. The bill can be transformative in clamping down on algorithmic discrimination and other harm.

This bill also requires covered entities to provide an adverse action notice to an individual if they take any adverse action in whole or in part on the results of an algorithmic eligibility determination. This is crucial because often, a victim of algorithmic discrimination may not even know when they are being discriminated against, or why an adverse decision was made about them. This bill would require companies to provide an explanation to the individual and allow for the individual to submit corrections that could change their outcomes. This is a major step in providing DC residents with more agency over decisions made about them, and also disincentivizes companies from using complicated, unexplainable algorithms like neural networks to make decisions about people's access to life opportunities. People deserve meaningful explanations when they are denied these services and complex algorithms can prevent companies from providing them.

This bill also requires companies to audit their algorithms and provide a report with the results of the audit to the AG. Companies are required to report information about what the algorithm does, the data used to make the decisions, the accuracy of the model, and the results and frequency of testing. While we think this lays an important foundation for transparency, we think this would be strengthened with a requirement for companies to get independently evaluated by a third party. We believe companies who conduct internal evaluations could exclude important information from these reports when they do not need to go through an external evaluator. We hope to see this suggestion included in future legislation.

Ultimately, this bill is one of the first of its kind and sets the bar high for what algorithmic regulation could look like across the country, and provides DC residents with important protections. We urge you to support this bill. Thank you for your consideration.

Sincerely,
Nandita Sampath
Policy Analyst

Cc: Members, Committee on Government Operations and Facilities