



Faraday & AI in VT

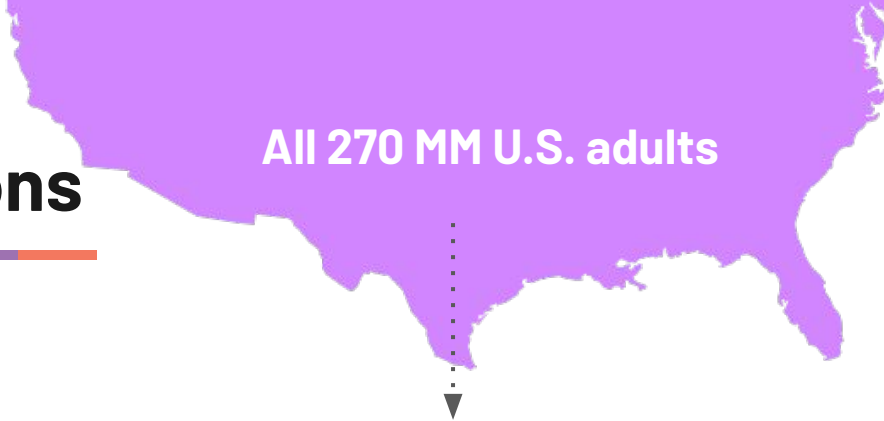
Testimony for the Senate Government
Operations Committee

About Faraday

- Company founded 2012
- Headquartered in Burlington
- ~60 VT based employees
- Investors include FreshTracks Capital, VT Seed Capital fund (VCET), local angels



Responsible, scalable
prediction infrastructure
for the consumer
economy



Predictions

Propensity

Likelihood to buy
Likelihood to convert
Likelihood to churn
Likelihood to [x]

Persona

Custom system
3-7 personas
100% assignment

Value

LTV/CLV
Predicted total \$
100% assignment



The AI opportunity

AI will impact all sectors of our economy

Examples:

Transportation: self driving vehicles

Health: infection pattern recognition

Communication: chat bots

Finance: fraud detection

Marketing: personalization

Agriculture: water management

Education: special needs education

Manufacturing: complex assembly

AI is the future of commerce

86% of CEOs believe AI will change the way they do business

63% believe it will have a bigger impact than the internet

\$5 trillion in value will be created by AI in marketing alone



AI can make for a better more responsive government

Deloitte has estimated that AI could save US government employees 96 million to 1.3 billion hours a year annually with savings of between 3.3 to 41.1 billion a year

AI risks



AI will impact all sectors of our economy w/ consequences

Examples:

Job losses from automation

Perpetuation of bias

Further concentration of wealth and power w/ Big Tech



Guiding principles



Principles

Transparency: where is AI being used, what data is being leveraged for training

Responsible: respect privacy, address algorithmic prejudice

Embrace the opportunity: don't be the horse and buggy lobby

Invest in education: data science is an enormous growth sector

Commission recommendation

Recommendation

- The house bill does not include any representative from the business community on the commission
- Require at least one representative from the business community be on the commission



Colorado comparison

“TWO MEMBERS WHO ARE BUSINESS PROFESSIONALS WITH EXPERT KNOWLEDGE OF, AND EXPERIENCE WITH, ARTIFICIAL INTELLIGENCE PRODUCTS, ONE OF WHOM TO BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE OF WHOM TO BE APPOINTED BY THE PRESIDENT OF THE SENATE”
