Postal Regulatory Commission Compliance Plan for OMB Memorandum M-24-10

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Version: 1.0

REVISION HISTORY

Date	Name	Description of Change	Version
11/01/2024	JC	Version 1	1

PURPOSE

The AI in Government Act of 2020 and OMB Memorandum M-24-10, Advancing Governance, Innovation, and Risk Management for Agency's Use of Artificial Intelligence, direct each agency to submit to OMB and post publicly on its website either a plan to achieve consistency with M-24-10 or a written determination that the Agency does not use and does not anticipate using covered AI.

This document outlines the minimum information required for Postal Regulatory Commission's (PRC) compliance plan that will satisfy the requirements of Section 3(a)(iii) of M-24-10 and Section 104(c) of the AI in Government Act. The Commission will report compliance with the individual use-case-specific practices mandated in Section 5(c)(iv) and (v) of M-24-10 separately through the annual AI use case inventory.

AUTHORITY

The establishment of AI policies within the Postal Regulatory Commission is primarily guided by mandates from the Office of Management and Budget (OMB), Presidential Directives, and other federal regulations. OMB mandates, such as the Federal Data Strategy, and the Cloud Smart Strategy, provide a framework for leveraging data as a strategic asset and adopting modern technology practices, including AI. Presidential directives and national strategies, such as the Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence (Oct 20, 2023), further outline the government's commitment to advancing AI technology for the public good while ensuring ethical, secure, and transparent use. These authorities collectively empower federal agencies to develop and implement AI policies that align with national priorities, promote innovation, and uphold the principles of accountability and fairness in the use of AI technologies.

SCOPE

This AI Compliance plan applies to the Postal Regulatory Commission, including all employees and all third parties (such as consultants, vendors, and contractors) that use or access any Information Technology (IT) resources under the administrative responsibility of the Commission or its IT services. This encompasses systems managed or hosted by third parties on behalf of the Commission. While an organizational unit may adopt a different policy, it must abide by the compliance policies outlined in this document.

This policy covers all technology systems that deploy AI technology, hereinafter called "AI systems". AI is a machine-based system that can make predictions, recommendations, or decisions influencing real or virtual environments for a given set of human-defined objectives. AI systems use machine- and human-based inputs to perceive environments, abstract perceptions into models through automated analysis, and use model inference to formulate

options for information or action. The definition includes systems using machine learning, large language models, natural language processing, computer vision technologies, and generative AI. Still, it excludes basic calculations, basic automation, or pre-recorded "if this, then that" response systems.

This policy applies to all new and existing AI systems developed, used, or procured by the Commission, which could directly impact the mission or security of the Commission. It does not govern regulatory or other actions regarding non-Commission uses of AI.

STRENGTHENING AI GOVERNANCE

The Commission is exploring using artificial intelligence to assist with its mission to regulate the United States Postal Service as well as administrative tasks.

Commission-specific lines of effort currently in place or on the roadmap may include:

- Technologies like Lexis +AI and Microsoft Co-Pilot

AI Governance Bodies

Establishing AI Governance Bodies within Postal Regulatory Commission is a critical component of our commitment to ensuring AI technologies' responsible and ethical use. These bodies are designed to oversee the implementation and operation of AI systems and ensure compliance with relevant laws, regulations, and internal policies.

Composition of AI Governance Bodies

- Office of General Counsel
- Office of the Secretary of Administration

Expected Outcomes

The AI governance body aims to achieve the following outcomes:

- **Ethical AI Deployment:** Ensure all AI systems are developed and deployed consistently with ethical standards and organizational values.
- **Risk Mitigation:** Identify and mitigate potential risks associated with AI, including biases, unfair outcomes, and other harms.
- **Transparency and Accountability:** Maintain transparency in AI operations and hold stakeholders accountable for their roles in AI governance.
- **Continuous Improvement:** Foster a culture of constant improvement in AI governance practices, keeping pace with technological advancements and emerging best practices.

Consultation with External Experts

The AI governance body will consult with external experts as appropriate and consistent with applicable laws to enhance the robustness of our AI governance framework. These consultations may include:

- **Academic Institutions:** Collaborating with researchers and experts from universities and research institutions.
- **Industry Leaders:** Engaging with industry experts to gain insights into cutting-edge AI technologies and practices.
- **Civil Society Organizations:** Consulting with NGOs and other civil society organizations to understand the societal impact of AI and incorporate diverse perspectives.
- **Interagency Collaboration:** Coordinating with other federal agencies to share knowledge and align best practices for AI governance.

AI Use Case Inventories

The creation and maintenance of AI use case inventories are essential to ensuring the Commission's comprehensive understanding of how AI technologies are utilized across the Commission. This inventory process allows us to manage AI deployments effectively, ensuring alignment with our ethical standards and regulatory requirements.

Process for Soliciting and Collecting AI Use Cases

The Commission has established a systematic process for soliciting and collecting AI use cases across all sub-agencies, components, and bureaus. This process includes:

- **Technology Review Intake Process:** Integrating AI use case collection into the existing technology review process to capture new AI initiatives at the proposal stage.
- **Continuous Monitoring:** Implementing ongoing monitoring mechanisms to identify emerging AI use cases and update the inventory accordingly.

Ensuring Comprehensive and Complete Inventory

To ensure that our AI use case inventory is comprehensive and complete, the Commission employs several strategies:

- **Stakeholder Engagement:** Engaging with key stakeholders, including the Chief Data Officer, Chief Information Officer, Chief Technology Officer, and program managers, to identify AI use cases.
- **Cross-functional Collaboration:** Collaborating across various departments ensures that all potential AI applications are captured and evaluated.
- **Documentation and Tracking:** Maintain detailed documentation and tracking all AI use cases to ensure they are accurately represented in the inventory.

Criteria for Excluding Use Cases from Inventory

While the Commission aims to maintain a transparent inventory of AI use cases, certain use cases may be excluded based on specific criteria:

- Mission Risk: Use cases that, if disclosed, could negatively impact or create risks to the Commission's mission, employees, customers, or the public.
- Confidentiality Agreements: Use cases subject to confidentiality agreements with other agencies, customers, employees, or stakeholders.
- Security Concerns: Use cases that involve sensitive or classified information that cannot be publicly disclosed.

Process for Periodic Review and Validation

The Commission is committed to periodically revisiting and validating the AI use cases in our inventory to ensure accuracy and relevance. This process includes:

- **Quarterly Reviews:** Conducting quarterly reviews of the AI use case inventory to identify any changes or updates needed.
- **Validation Criteria:** Predefined criteria are used to reassess use cases and determine whether previously excluded cases should be included or whether any new cases meet the exclusion criteria.
- **Approval and Oversight:** The Chief AI Officer (CAIO), AI governance body, and senior leadership will be involved in the review and validation process to ensure accountability and transparency.

ADVANCING RESPONSIBLE AI INNOVATION

At the Commission, we are committed to fostering an environment where AI technologies can be developed and deployed responsibly. Leveraging AI's potential to enhance our operations while ensuring that such advancements align with ethical standards and regulatory requirements is one way of advancing responsible AI innovation.

AI Talent

Building and maintaining a skilled AI workforce is crucial for advancing responsible AI innovation. Our initiatives in this area include:

- **Recruitment Strategies:** Implementing targeted recruitment strategies to attract AI talent, including leveraging hiring authorities and participating in AI-focused job fairs and conferences.
- **Internal Training Programs:** Developing comprehensive training programs to enhance AI skills within our existing workforce. These programs cover various topics, from basic AI literacy to advanced machine learning techniques.

AI Sharing and Collaboration

We recognize the importance of collaboration and knowledge sharing in advancing responsible AI innovation. Our efforts in this area include:

- **Custom-Developed AI Code:** Ensuring that custom-developed AI code, including models and model weights, is shared consistent with Section 4(d) of M-24-10.
- **Incentivizing Sharing:** Encouraging the sharing of AI code, models, and data with the public and other agencies by providing incentives and support for such initiatives.
- **Coordination Efforts:** Coordinating with relevant offices within the Commission to facilitate sharing and collaboration, ensuring that best practices are disseminated and adopted across the organization.

Harmonization of Artificial Intelligence Requirements

To ensure a consistent and unified approach to AI governance, innovation, and risk management, we have taken the following steps to harmonize AI requirements across the Commission:

- **Documentation of Best Practices:** Document and share best practices regarding AI governance, innovation, and risk management to ensure they are consistently applied.
- **Interagency Coordination:** Engaging in interagency coordination efforts to align our AI strategies and policies with other federal agencies, promoting a coherent and collaborative approach to AI use.
- **Continuous Improvement:** We continuously update our AI practices and policies to reflect emerging trends, technological advancements, and evolving regulatory requirements.

MANAGING RISKS FROM THE USE OF ARTIFICIAL INTELLIGENCE

Determining Which Artificial Intelligence Is Presumed to Be Safety-Impacting or Rights-Impacting

To ensure the responsible deployment of AI, the Commission has established a rigorous process for determining which AI use cases are considered safety-impacting or rights-impacting:

- **Review Process:** Each current and planned AI use case undergoes a thorough review to assess whether it matches the definitions of safety-impacting or rights-impacting AI defined in Section 6 of OMB Memorandum M-24-10.
- **Criteria for Assessment:** Our assessment criteria include the potential for physical harm, the impact on civil rights, and the degree of automation in decision-making processes.

- **Supplementary Criteria:** The Commission may develop additional criteria tailored to our specific operations to guide safety and rights-impacting AI decisions.

Implementation of Risk Management Practices and Termination of Non-Compliant AI

Implementing effective risk management practices is essential to mitigate the risks associated with AI:

- **Comprehensive Risk Assessments:** Conduct comprehensive risk assessments for all AI applications, identifying potential hazards, vulnerabilities, and impact on stakeholders.
- **Minimum Risk Management Practices:** Document and validate the implementation of minimum risk management practices, including data privacy, security measures, and ethical considerations.
- **Risk Management Framework:** Develop and maintain a risk management framework that outlines the procedures for identifying, assessing, mitigating, and monitoring risks throughout the AI lifecycle.

Minimum Risk Management Practices

In certain circumstances, it may be necessary to issue waivers for one or more of the minimum risk management practices. The Commission has established a straightforward process for this:

- **Criteria for Waivers:** Develop criteria to guide the decision to waive risk management practices, ensuring that waivers are granted only when necessary and justified.
- **Issuance and Revocation:** Establish procedures for issuing, denying, revoking, tracking, and certifying waivers, with oversight from the Chief AI Officer (CAIO) and the AI governance body.
- **Documentation and Transparency:** Maintain detailed records of all waiver decisions to ensure transparency and accountability.

APPENDIX A: TERMS AND DEFINITIONS

Artificial Intelligence (AI): A machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems use machine and human-based inputs to perceive real and virtual environments, abstract such perceptions into models through analysis, and use model inference to formulate options for information or action.

Chief AI Officer (CAIO): A senior executive responsible for overseeing the Commission's development and implementation of AI strategies, policies, and governance. The CAIO ensures compliance with ethical standards and regulatory requirements and coordinates AI initiatives across the organization.

AI Governance: The framework, processes, and policies implemented to ensure the ethical, legal, and responsible use of AI within an organization. It includes establishing governance bodies, principles, and guidelines to oversee AI applications.

AI Governance Body: A multidisciplinary committee comprising representatives from key offices within the Commission, this committee is responsible for overseeing the implementation and operation of AI systems. The governance body ensures that AI initiatives align with ethical standards, regulatory requirements, and the Commission's strategic goals.

AI Use Case Inventory: A comprehensive list of all AI applications and use cases within an organization, detailing their purpose, scope, and compliance with ethical and regulatory standards. The inventory is used to manage AI deployments effectively and ensure transparency.

Safety-Impacting AI: AI applications that have the potential to cause physical harm or pose significant safety risks. These use cases require rigorous risk assessments and compliance with stringent safety standards.

Rights-Impacting AI: AI applications that can potentially affect individuals' civil rights, privacy, or other fundamental rights. These use cases require careful consideration of ethical implications and compliance with legal and regulatory requirements.

Generative AI: A class of AI models that emulate the structure and characteristics of input data to generate derived synthetic content, such as images, videos, audio, text, and other digital content.

Risk Management Framework: A structured approach for identifying, assessing, mitigating, and monitoring risks associated with AI applications. The framework includes preventive controls, monitoring mechanisms, and procedures for managing incidents and non-compliance.

Incident Response Plan: A formalized set of procedures and protocols outlining the steps to respond to cybersecurity or operational incidents involving AI systems. The plan includes roles and responsibilities, communication protocols, and remediation actions.

Redress Mechanism: Processes and procedures established to address and resolve any harms or issues caused by AI systems. These mechanisms ensure that affected individuals or entities can report problems and seek remediation.

Bias Mitigation: Strategies and techniques aimed at identifying and addressing bias in AI applications to ensure fairness, equity, and inclusivity in decision-making processes and outcomes.

Transparency and Accountability: Principles ensuring that the development and deployment of AI systems are open and transparent, with clear documentation and oversight to hold stakeholders accountable for their roles in AI governance.

Ethical AI Use: The application of AI in a manner that aligns with ethical standards, respecting privacy, fairness, transparency, and accountability while avoiding harm to individuals and society.

Continuous Monitoring: Ongoing surveillance and assessment of AI systems to ensure they operate as intended and remain compliant with ethical standards, regulatory requirements, and performance expectations.

AI Talent Development: Initiatives and programs that aim to build and maintain a skilled AI workforce through targeted recruitment, training, and career development opportunities.

AI Ethical Use Policy: A set of guidelines and procedures that govern the use of AI within an organization, ensuring that AI applications align with ethical standards and organizational values.

AI Center of Excellence: An internal hub dedicated to advancing AI initiatives, providing expertise, guidance, and support to staff, and promoting knowledge sharing and collaboration across the organization.

Secure by Design: An approach to system design and development that integrates security considerations throughout the entire software development lifecycle, ensuring that AI applications are built with robust security measures from the outset.

Technology Review Process: A formal procedure for evaluating technology requests, including AI applications, to ensure they meet technical, ethical, and regulatory standards before approval and implementation.