

Commodity Futures Trading Commission Compliance Plan for OMB Memoranda M-24-10

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1. STRENGTHENING AI GOVERNANCE

General

Describe any planned or current efforts within your agency to update any existing internal AI principles, guidelines, or policy to ensure consistency with M-24-10.

- The Commodity Futures Trading Commission (CFTC) is currently developing strategies to responsibly and effectively use artificial intelligence (AI). CFTC's efforts include, but are not limited to, collecting and publishing an AI inventory, developing and publishing an AI compliance plan, and establishing an AI governance framework. The CFTC designated a Chief AI Officer in May 2024.¹
- The CFTC is also developing internal guidance regarding staff use of generative AI. CFTC anticipates that this guidance will enumerate the approved generative AI models, tools, and use cases that staff are permitted to use. CFTC's efforts are informed by CFTC pilot studies of use of standard generative AI tools to promote learning and encourage safe adoption.

AI Use Case Inventories

Describe your agency's process for soliciting and collecting AI use cases across all sub-agencies, components, or bureaus for the inventory. *In particular, address how your agency plans to ensure your inventory is comprehensive, complete, and encompasses updates² to existing use cases.*

- The CFTC will conduct multiple rounds of direct outreach with each CFTC division and office to solicit and collect AI use cases. The Division of Data's (DOD) Chief Data and AI Officer and Chief Data Scientist will lead the CFTC's efforts to collect a comprehensive inventory of all active AI use cases. Outreach will be conducted annually to ensure the AI inventory remains current. DOD regularly works with divisions and offices to develop data products and will update the AI inventory any time new AI use cases are discovered throughout the year.

Reporting on AI Use Cases Not Subject to Inventory

Describe your agency's process for soliciting and collecting AI use cases that meet the criteria for exclusion from being individually inventoried, as required by Section 3(a)(v) of M-24-10. *In particular, explain the process by which your agency determines whether a use case should be excluded from being individually inventoried and the criteria involved for such a determination.*

¹ See CFTC Press Release, Chairman Behnam Designates Ted Kaouk as the CFTC's First Chief Artificial Intelligence Officer, May 1, 2024, <https://www.cftc.gov/PressRoom/PressReleases/8903-24>.

² Examples of updates to existing use cases include moving to a different phase of the system development life cycle (e.g., development to operations) or updating the documentation for risk management activities when a rights-impacting AI or safety-impacting AI enters into use.

- The CFTC plans to follow OMB’s definition of AI and guidance on all use cases subject to reporting. Any non-reportable use cases will be tracked and monitored internally on an annual basis to update the public AI inventory in the event those use cases become reportable under OMB guidance.

Identify how your agency plans to periodically revisit and validate these use cases. *In particular, describe the criteria that your agency intends to use to determine whether an AI use case that previously met the exclusion criteria for individual inventorying should subsequently be added to the agency’s public inventory.*

- See previous note.

2. ADVANCING RESPONSIBLE AI INNOVATION

Removing Barriers to the Responsible Use of AI

Describe any barriers to the responsible use of AI that your agency has identified, as well as any steps your agency has taken (or plans to take) to mitigate or remove these identified barriers.³ *In particular, elaborate on whether your agency is addressing access to the necessary software tools, open-source libraries, and deployment and monitoring capabilities to rapidly develop, test, and maintain AI applications.*

- The CFTC has identified the following barriers to active use of AI techniques and will work to actively address them:
 - Training on modern programming languages (e.g., python and R) and AI modeling and analysis techniques;
 - Improving existing open-source package management and accessibility of common AI libraries; and
 - Improving model deployment and management frameworks.

Identify whether your agency has developed (or is in the process of developing) internal guidance for the use of generative AI. *In particular, elaborate on how your agency has established adequate safeguards and oversight mechanisms that allow generative AI to be used in the agency without posing undue risk.*

- As noted above, the CFTC is developing internal guidance regarding staff use of generative AI. The CFTC is actively exploring the potential use cases and benefits of generative AI. Safeguards governing this exploration include control of model processing to ensure that no data exits CFTC’s networks. Additionally, proper training of staff is critical to ensuring effective use of generative AI tools on approved use cases to improve the efficiency and effectiveness of work.

³ Section 4(b) of M-24-10 references barriers such as access and support for IT infrastructure, data, and cybersecurity.

AI Talent

Describe any planned or in-progress initiatives from your agency to increase AI talent. *In particular, reference any hiring authorities that your agency is leveraging, describe any AI-focused teams that your agency is establishing or expanding, and identify the skillsets or skill-levels that your agency is looking to attract. If your agency has designated an AI Talent Lead, identify which office they are assigned to.*

- The CFTC hired a Chief Data Scientist in 2023. The Chief Data Scientist, who reports to the Chief AI Officer, manages a newly established Enterprise Data Analytics Section that consists of four staff and additional contractors. This function will be responsible for developing CFTC's priority analytics questions, providing analytics services, and leading priority enterprise analytics and AI initiatives in the CFTC.

If applicable, describe your agency's plans to provide any resources or training to develop AI talent internally and increase AI training opportunities for Federal employees. *In particular, reference any role-based AI training tracks that your agency is interested in, or actively working to develop (e.g., focusing on leadership, acquisition workforce, hiring teams, software engineers, administrative personnel or others).*

- The CFTC Division of Data is leading a data skills training initiative to upskill CFTC staff on more effective use of CFTC regulatory data, modern programming languages, and modern AI/ML modeling and analysis techniques.

AI Sharing and Collaboration

Describe your agency's process for ensuring that custom-developed AI code—including models and model weights—for AI applications in active use is shared consistent with Section 4(d) of M-24-10.

- The CFTC is committed to adhering to the guidelines of Section 4(d) of M-24-10 regarding the sharing of custom-developed AI code, including models and model weights. To ensure compliance, the CFTC will establish a comprehensive review procedure that will evaluate which, if any, AI code can be shared. By creating this structured process, the CFTC aims to consider the value of publishing custom AI code as required by OMB M-16-21 while taking into account CFTC's obligations to protect sensitive information pursuant to other applicable laws and policies.

Elaborate on your agency's efforts to encourage or incentivize the sharing of code, models, and data with the public. Include a description of the relevant offices that are responsible for coordinating this work.

- As noted above, the CFTC is committed to sharing AI code, models and model weights with the public when it is appropriate. The CFTC regularly engages directly with the public, other regulatory agencies, and its regulated entities. As noted above, the CFTC will develop a process to identify and evaluate scenarios where the release of AI code, models, or data would be appropriate.

Harmonization of Artificial Intelligence Requirements

Explain any steps your agency has taken to document and share best practices regarding AI governance, innovation, or risk management. *Identify how these resources are shared and maintained across the agency.*

- CFTC has briefed its data governance board on the requirements for AI governance and has scheduled training on generative AI, AI governance, ethics, and risk management during Q3 and Q4 2024.

3. MANAGING RISKS FROM THE USE OF ARTIFICIAL INTELLIGENCE

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

Explain the process by which your agency determines which AI use cases are rights-impacting or safety-impacting. *In particular, describe how your agency is reviewing or planning to review each current and planned use of AI to assess whether it matches the definition of safety-impacting AI or rights-impacting AI, as defined in Section 6 of M-24-10. Identify whether your agency has created additional criteria for when an AI use is safety-impacting or rights-impacting and describe such supplementary criteria.*

- The CFTC has not created additional criteria for determining when the use of AI is rights-impacting or safety-impacting. The CFTC will follow the OMB's definitions and guidance from M-24-10 to determine which AI use cases are rights-impacting or safety-impacting. Each AI use case, whether current or planned, will undergo a review process involving the Chief AI Officer and the Division of Data, with support from the Chief Data Scientist, Enterprise Data Analytics Section, and the CFTC's Data and AI Governance Board as needed. Additionally, CFTC attorneys will conduct a legal review to ensure compliance with relevant laws and policies. CFTC will satisfy OMB's criteria and will also track non-reportable use cases internally to facilitate the updating of CFTC's public AI inventory as necessary. This structured approach will ensure a thorough assessment of AI use cases concerning rights and safety implications.

If your agency has developed its own distinct criteria to guide a decision to waive one or more of the minimum risk management practices for a particular use case, describe the criteria.

- Not applicable. CFTC has not developed its own distinct criteria to guide a decision to waive one or more of the minimum risk management practices for a particular use case.

Describe your agency's process for issuing, denying, revoking, tracking, and certifying waivers for one or more of the minimum risk management practices.

- CFTC plans to establish a governance process to review, issue, and deny waivers related to new AI use cases.

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

Elaborate on the controls your agency has put in place to prevent non-compliant safety-impacting or rights-impacting AI from being deployed to the public.

- To ensure the responsible and compliant deployment of AI technologies, CFTC has established a dedicated section focused on AI and Enterprise Data Analytics within the CFTC’s Division of Data. This section, along with a newly formed Data and AI Governance Board, will be responsible for overseeing the development and implementation of AI systems to ensure they meet stringent safety and rights standards. CFTC is actively developing a process to inventory, review, and adhere to the required risk management practices set forth by OMB. This process will include mandatory reviews by the CFTC’s Office of General Counsel as part of our internal coordination for the AI inventory, ensuring an additional layer of oversight before any AI system is deployed. While specific policies are still being finalized, CFTC is committed to rigorous compliance and will take all necessary measures to prevent the deployment of non-compliant AI systems that could impact public safety or individual rights.

Describe your agency’s intended process to terminate, and effectuate that termination of, any non-compliant AI.

- Any rights-impacting or safety-impacting AI use cases will undergo review by the Office of General Counsel as part of the CFTC's internal coordination process for the AI inventory. This review is an additional control measure that must be completed before any rights-impacting or safety-impacting use case can be deployed. Although we do not expect any rights-impacting or safety-impacting use cases in FY25, we are confident that the review process established by CFTC will be adequate to promptly terminate, and effectuate the termination of, any non-compliant AI.

Minimum Risk Management Practices

Identify how your agency plans to document and validate implementation of the minimum risk management practices. *In addition, discuss how your agency assigns responsibility for the implementation and oversight of these requirements.*

- The CFTC is developing a set of risk management practices, particularly for rights-impacting AI use cases. These practices will include conducting AI Impact Assessments, thorough operational testing, and independent evaluations to ensure responsible AI usage. Continuous monitoring and regular risk reassessments will be part of oversight efforts, with emerging risks addressed through various mitigation techniques. Human oversight will be integral to the CFTC's approach, ensuring that AI informs decisions rather than making them autonomously.

In scenarios where individual rights are impacted, the CFTC will aim to advance equity and fairness by addressing algorithmic bias and engaging with affected groups. Public notice and plain language documentation will be provided to enhance transparency. The CFTC also plans to monitor for potential discrimination and offer processes for individuals to contest decisions or opt out of AI systems where practicable, maintaining a commitment to public trust and ethical AI deployment.