

May 22, 2024

AI in the Boardroom:
The Compliance Challenge of Regulatory Fragmentation

A bipartisan Senate working group released a 20-page [Roadmap for Artificial Intelligence Policy](#) last Wednesday, the product of a year's study and a series of high-profile public conferences with executives of major U.S. technology companies and labor leaders (previously discussed [here](#)). The roadmap features few specific recommendations for new legislation, exposing the absence of a comprehensive federal response to AI. This marks a growing contrast with the European Union, which is working to implement the wide-ranging AI Act [enacted this past March](#). The limited ambition of the Senate roadmap reflects the realities of a divided Congress heading into the election season.

With Congress stuck in neutral, AI regulatory activity has largely passed to the states, creating the risk of a regulatory regime fractured by region and business sector. Last Friday, Colorado's governor signed into law an [ambitious statute](#) that tracks some of the key features of the EU's landmark legislation. When the law goes into effect in February 2026, it will require detailed disclosures, impact assessments, and risk-management policies in connection with the development or use of "high-risk" AI systems. Utah, by contrast, has enacted narrower consumer-protection [legislation](#) — requiring companies in "regulated occupations" such as the healthcare industry to disclose the use of generative AI, and companies in other industries to make equivalent disclosures if requested by their customers. Other states are developing their own approaches to AI regulation, including [California](#), [Connecticut](#), [Hawaii](#), [Illinois](#), [Oklahoma](#), and [Vermont](#). While a multi-state [working group](#) has attempted to coordinate these efforts, companies of any scale should expect to encounter varying regulation.

None of all this will make life easy for directors and managers. As we have [previously written](#), AI, like other great leaps forward in technology, will present every enterprise of scale with new opportunities and new risks. AI should be on the agenda of every board of directors and every corporate legal department. Successfully navigating the challenge and promise of AI will require careful consideration of board and committee organization, management tasks and accountability, risk management and reporting, and bespoke compliance efforts — all compounded by a fragmented regulatory framework that will supply little guidance and create much risk. This is a tall order, but one that is achievable with early and sustained engagement.

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