



# **FP Snapshot on Manufacturing Industry: 3 Artificial Intelligence Bills Employers Should Track**

Insights

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Welcome to this edition of the FP Snapshot on Manufacturing Industry, where we take a quick snapshot look at the most significant workplace law developments with an emphasis on how they impact employers in the manufacturing sector. This edition will discuss recently proposed legislation surrounding the use of Artificial Intelligence (AI) in the workplace. These bills will have a particular impact on manufacturers, so read on to find out what you need to do as a result.

## **Snapshot Look at the Proposed New Rules**

AI regulation efforts have quickly become a center of focus for both state and federal governments. Most recently, three separate bills were introduced into Congress – the “Stop Spying Bosses Act” (Bill 262), the “No Robot Bosses Act” (Bill 2419), and the “Algorithmic Accountability Act” (Bill 2982).

These bills lay out various requirements for employers to follow when utilizing AI in the workplace and cover issues ranging from workplace surveillance to the use of automated decision systems to make critical, employment-related decisions. [For a deeper dive into the situation, you can read our full Insight here.](#)

## **What Do Manufacturers Need to Know?**

### ***Stop Spying Bosses – Bill 262***

This bill targets invasive workplace surveillance and technology used to track and monitor employees. The bill would require employers to timely disclose the use of surveillance or monitoring in the workplace, details about the data being collected, and how the surveillance affects employment-related decisions.

### ***What Do Manufacturing Employers Need to Know?***

While AI allows manufacturers to keep on an eye on their facilities in real time, there are inherent risks associated with AI surveillance and/or monitoring. These risks include, among others, employee privacy concerns and threats to employee satisfaction. Accordingly, when utilizing AI for employee monitoring or surveillance purposes, you should strive for transparency and maintain a best practice of keeping employees informed of both the use of AI and the scope of the data being

collected. Employers who have not yet done so should also strongly consider enacting data protection and other related policies.

Employers in the manufacturing industry should be particularly mindful of this legislation, as it has the potential to reshape the dynamics of union contract negotiations, placing a heavier emphasis on privacy protections for employees and upsetting otherwise stable negotiating conditions.

### ***Algorithmic Accountability – Bill 2892***

This bill seeks to regulate how employers use AI when making “critical decisions,” including those that significantly affect an individual’s employment. Employers would be required to assess the impacts of automated decision systems when making critical decisions as well as provide related training and education for employees, contractors, and other agents.

#### ***What Do Manufacturing Employers Need to Know?***

This bill could have significant implications for manufacturers. With the vast and diverse workforce typically found in the manufacturing sector, there is a heightened risk of bias and discrimination inadvertently creeping into existing AI algorithms. Manufacturing employers seeking to use AI to make “critical decisions” should therefore be prepared to evaluate, address, and mitigate any biases or discrimination present in their automated processes. Employers should also develop comprehensive training programs on the AI systems in place and ensure that additional educational information is made readily available to employees.

### ***No Robot Bosses – Bill 2419***

This bill proposes to ban employers from relying exclusively on automated decision systems to make “employment-related decisions.” “Employment-related decisions” is defined broadly to include decisions made at the recruiting and application stage all the way through termination. The bill also proposes to require that certain criteria be met before employers are even permitted to use automated decision systems to make employment-related decisions.

#### ***What Do Manufacturing Employers Need to Know?***

This bill attempts to mitigate the risk of AI perpetuating biases present in its algorithms by mandating human oversight of AI systems. As stated above, employers in the manufacturing industry are at a heightened risk of these biases being present given the diversified workforce typically found in the manufacturing sector.

Accordingly, manufacturing employers should be prepared to explain how their AI systems operate, including what the automated decision systems purport to measure, how it measures them, and how these characteristics relate to the specific roles being assessed. This will help ensure that

employees are knowledgeable of the systems in place so that AI output can be better evaluated when making employment-related decisions.

## **Want More?**

We will continue monitoring workplace law developments as they apply to employers in the manufacturing industry, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to have the most up-to-date information sent directly to your inbox. If you have questions, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney on our [Manufacturing Industry Team](#).

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