

Philadelphia City Council
Committee on Technology and Information Services

Public Policymaking on AI: Invest in People, Not in Corporate Power

October 15, 2025

Written Testimony of Alli Finn

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Good morning and thank you to Chair Landau and the members of the Committee on Technology and Information Services for the opportunity to testify. My name is Alli Finn and I am the Senior Partnerships and Strategy Lead at the AI Now Institute, an independent organization producing policy research on artificial intelligence. We focus on policy strategies to shape artificial intelligence in the public interest and redirect the AI industry away from its current path: unbridled commercial surveillance, concentration of power in a few dominant tech companies, and the deployment of AI on the public, instead of with and by us. Our work includes advising local, state, and federal officials across the country on the reality of the AI industry and best practices in policymaking, as well as collaborating with communities facing economic, social, labor, and public health harms driven by AI tools and infrastructure.

With this focus in mind, I am testifying today about the principles and practices necessary to ensure that any deployment of AI systems and associated buildout of physical infrastructure prioritizes the needs of Philadelphia residents, rather than increased corporate capture of our data and resources.

Introduction

We are at a critical inflection point in both the trajectory of AI technology development, and policymaking attempts to regulate the power structures behind it and the downstream impacts on everyday people. The wealthiest companies on the planet are aggressively selling narratives that AI will transform the world and our lives for the better, as they rapidly accelerate use of AI across all sectors of society. In particular, we are repeatedly told that AI can be used to make our governments and public institutions more “efficient” and effective. Under this logic of efficiency, governments are funneling millions of dollars into private contracts to develop AI technology presumably for the public’s benefit, with little attention to the well-documented risks.

I’m here today because what the industry hype around artificial intelligence obscures is that this acceleration is often to the detriment of everyday people. AI tools are consistently used to devalue workers’ labor and increase extreme monitoring and surveillance of their every move.¹ Algorithmic wage discrimination

¹ Jodi Kantor and Arya Sundaram, “The Rise of the Worker Productivity Score,” *New York Times*, August 14, 2022, <https://www.nytimes.com/interactive/2022/08/14/business/worker-productivity-tracking.html>; Wilneida Negrón, *Little Tech Is Coming for Workers*, Coworker.org, 2021, <https://home.coworker.org/wp-content/uploads/2021/11/Little-Tech-Is-Coming-for-Workers.pdf>; Edward Ongweso Jr., “Amazon’s New Algorithm Will Set Workers’ Schedules According to Muscle Use,” *Vice*, April 15, 2021, <https://www.vice.com/en/article/amazons-new-algorithm-will-set-workers-schedules-according-to-muscle-use>.

enables companies to pay individual workers different wages for the same work,² with similar applications increasing pricing of housing and goods.³ AI's associated infrastructure also increases inequity; in 2024 alone, Pennsylvanian households' increased electricity bills paid for \$491.7 million in transmission costs for the data center buildout, rather than the wealthy companies driving this expansion.⁴

We urgently need to protect residents of Philadelphia from this massive corporate concentration of power and extraction of precious resources—our land, water, energy, labor, data, and control over the life-and-death decisions about our daily lives, mobility, and basic rights. This isn't theoretical; under the leadership of Councilmember Nicholas O'Rourke, a member of this committee, City Council passed a 2024 law banning the RealPage algorithm, a tool used by landlords to compare and, according to the Department of Justice, to illegally price-fix rents, from price-setting for landlords.⁵ In a city with a 26 percent rent increase since 2020,⁶ and where Black tenants are substantially over-represented in evictions,⁷ this meaningful action can set the stage for further protections.

My testimony will cover three points: how to understand AI and the impacts of the current industry “boom” on everyday people, policies to protect the public, and immediate actions that City Council can take to limit the most egregious harms.

In considering all these areas, I want to highlight the critical role this committee holds in not only taking strong and proactive action, but in the way these decisions are made, and the potential to lead the way in Philadelphia, the state, and as a model for jurisdictions across the country. Conversations around use of AI and technology are often left structurally inaccessible to the people most impacted. We are often told that these decisions should be left up to “experts,” with a very narrow definition of who qualifies. In reality, the core conversations around AI at this moment are not questions of computer science expertise, but how social and economic policy is implemented and who these actions serve. Communities will always be the most qualified experts in what they need, from workplace protections, to high-quality education and healthcare, to how their representatives should invest their taxpayer dollars. In questions about how, when, and—critically—*if* to use AI, we need to keep these fundamental needs as our core focus.

² Veena Dubal, “On Algorithmic Wage Discrimination,” *Columbia Law Review* 124, no. 7 (2023), <https://doi.org/10.2139/ssrn.4331080>.

³ Danielle Kaye, Lauren Hirsch, and David McCabe, “U.S. Accuses Software Maker Realpage of Enabling Collusion on Rents,” *New York Times*, August 23, 2024, <https://www.nytimes.com/2024/08/23/business/economy/realpage-doj-antitrust-suit-rent.html>.

⁴ Mike Jacobs, “Connection Costs: Loophole Costs Customers Over \$4 Billion to Connect Data Centers to Power Grid,” Union of Concerned Scientists, September 2025, <https://www.ucs.org/about/news/billions-dollars-unreported-data-center-costs-pjm>.

⁵ Wendy Fry, “Landlords Are Using AI To Raise Rents — and Cities Are Starting To Push Back,” *The Markup*, December 2, 2024, <https://themarkup.org/locked-out/2024/12/02/landlords-are-using-ai-to-raise-rents-and-cities-are-starting-to-push-back>.

⁶ Ben Seal, “Philly Housing Prices Are Through the Roof. But There Are Ways to Fix It,” *Philadelphia Magazine*, March 1, 2025, <https://www.phillymag.com/property/2025/03/01/philadelphia-area-housing-prices/>.

⁷ Ira Goldstein, Emily Dowdall President, and Colin Weidig, “Evictions in Philadelphia: Race (and Place) Matters,” Reinvestment Fund, 2021, <https://www.reinvestment.com/insights/evictions-in-philadelphia-race-and-place-matters/>.

1. Grounding: How to Understand AI, the Industry, and Impacts on Everyday People

The idea that “AI” is a single technology that can solve every problem is a recent myth, perpetuated by AI companies that want us to believe that their products can address all our daily and societal challenges. When we are talking about AI, however, we are usually speaking about a wide-ranging suite of technologies, many of which have long preceded this current AI hype cycle. This is important because when we break the technology down, we can more accurately see the different risks it introduces—for example, discrimination in public benefits, privacy violations in sharing of residents’ data, labor impacts, healthcare denials—and more accurately determine the correct technology to solve the specific problem, if technology is indeed a useful tool to address the issue at hand at all.

Broadly, artificial intelligence refers to algorithms that take and process massive amounts of data—our data—to generate outputs.⁸ These outputs can be predictions (what word should come next in a sentence), recommendations, scores (such as our credit scores, our invisible “risk scores” created by data brokers and insurance companies, and risk assessments used for pretrial decision making), or ranking of content (such as our news feed on social media). These algorithms are not “intelligent,” but are often used to assist or in some cases replace decision-making by human beings. Generative AI, which we now hear a lot about, relies on complex models trained on often larger data sets, scraped from sites like Reddit or Wikipedia or our unique creations such as news articles, books, and art, to generate “new” content, such as images, text responses (like ChatGPT), videos, or voice cloning. What’s critical to remember here is that these systems do not think, even when they sound like they do; they’re “haphazardly stitching together sequences of linguistic forms” that they observe in the training data, as AI researchers Emily M. Bender, Timnit Gebru, Angelina McMillan-Major, and Margaret Mitchell write.⁹

The industry hype obscures how the wide range of AI technologies generates massive risk to users and people upon whom the technology is deployed, in the form of inaccurate outputs,¹⁰ the spreading of disinformation and misinformation,¹¹ discriminatory decision-making,¹² and security breaches that threaten our data.¹³ In all these cases, addressing these risks and getting accountability—for your mother’s healthcare

⁸ Annie Lowrey, “AI Isn’t Omnipotent. It’s Janky,” *The Atlantic*, April 3, 2023, <https://web.archive.org/web/20250301023738/https://www.theatlantic.com/ideas/archive/2023/04/artificial-intelligence-government-amba-kak/673586/>.

⁹ Emily M. Bender, Timnit Gebru, Angelina McMillan-Major, and Margaret Mitchell, “On the Dangers of Stochastic Parrots: Can Language Models Be Too Big?” ACM Conference on Fairness, Accountability, and Transparency (FACCT ’21), Association for Computing Machinery, 2021, <https://doi.org/10.1145/3442188.3445922>.

¹⁰ Nicola Jones, “AI Hallucinations Can’t Be Stopped – But These Techniques Can Limit Their Damage,” *Nature*, January 21, 2025, <https://www.nature.com/articles/d41586-025-00068-5>.

¹¹ Akielly Hu, “AI Is Hurting the Climate in a Number of Non-Obvious Ways,” *The Markup*, July 6, 2023, <https://web.archive.org/web/20250413214208/https://themarkup.org/news/2023/07/06/ai-is-hurting-the-climate-in-a-number-of-non-obvious-ways>; “What you need to know about election misinformation and disinformation online,” Center for Countering Digital Hate, March 06, 2024, <https://counterhate.com/blog/what-you-need-to-know-about-online-misinformation-and-disinformation-in-2024-elections/>

¹² Rashida Richardson et al., “Dirty Data, Bad Predictions: How Civil Rights Violations Impact Police Data, Predictive Policing Systems, and Justice,” *New York University Law Review Online* 94, no. 192 (May 2019): 192–233, <https://ssrn.com/abstract=3333423>; Abeba Birhane et al., “On Hate Scaling Laws for Data-Swamps,” *arXiv*, June 28, 2023, arXiv:2306.13141.

¹³ Declan Harty and Steven Overly, “Gensler’s Warning: Unchecked AI Could Spark Future Financial Meltdown,

denial, your neighbor's profiling by ICE, a landlord's rejection of your housing application—is more difficult due to the false idea of “objectivity” of the algorithm. We need to remember that at the core, technology is never neutral; algorithms are embedded with the intentions, biases, and norms of their creators; and AI is never acting on its own, it is being deployed by people and companies with agendas.

It is also helpful to understand that AI is a supply chain, with immense material impacts. Any and every AI application requires hardware such as chips, computing power, software such as large language models, and sprawling data centers and energy infrastructure including transmission lines to power them. The supply chain also includes invisibilized human labor, including workers hired under increasingly precarious conditions to train AI models,¹⁴ and massive amounts of data, which our digital lives often unknowingly supply. As tech companies rapidly expand their AI tools and products, they are exponentially building out hyperscale data centers and associated energy infrastructure to power them, often to the direct detriment of surrounding communities including across Pennsylvania. As the number of data centers in the US has doubled from 2021-2025 alone to over 5,400 facilities,¹⁵ Pennsylvania is seeing expanded dirty energy infrastructure,¹⁶ plans to reopen the nation's most notorious nuclear meltdown site, Three Mile Island,¹⁷ threats to the state's water supply,¹⁸ and soaring energy costs that are already impacting Philadelphia ratepayers.¹⁹ Without action from the City Council, these harms will likely further increase for residents of Philadelphia, if tech companies advance data center projects locally.

Who is this buildout for? At its core, AI is primarily being deployed on people, not by people, and is being used to concentrate power: of the industry that creates, sells, and deploys it, of landlords, of bosses, of insurance companies, of local and immigration police. This is not the only trajectory available for AI and the industry, but Big Tech has rigged the market in its favor and pushed us down this path, lobbying for deregulation, rewriting our laws to avoid accountability, investing hundreds of billions of dollars to build and control AI infrastructure across the world including locally, and requesting taxpayer investment to back their unstable business models. At the local level, we can see clearly how the concentration of power is already deepening inequality and exacerbating the affordability crisis. Even though there is not yet significant data center buildout in Philadelphia, the statewide expansion of data centers powering AI—from

POLITICO, March 19, 2024, <https://www.politico.com/news/2024/03/19/sec-gensler-artificial-intelligence-00147665>.

¹⁴ “Ghost Workers in the AI Machine: U.S. Data Workers Speak Out About Big Tech's Exploitation,” Alphabet Workers Union, Communications Workers of America, and TechEquity, September 30, 2025, <https://cwa-union.org/ghost-workers-ai-machine>.

¹⁵ Miguel Yañez-Barnuevo, “Data Center Energy Needs Could Upend Power Grids and Threaten the Climate,” *Environmental and Energy Study Institute*, April 15, 2025, <https://www.eesi.org/articles/view/data-center-energy-needs-are-upending-power-grids-and-threatening-the-climate>.

¹⁶ Ellie Kerns, “Release: New study details environmental, consumer costs of data center expansion,” *Penn Environment Research and Policy Center*, January 24, 2025, <https://environmentamerica.org/pennsylvania/center/media-center/release-new-study-details-environmental-consumer-costs-of-data-center-expansion/>.

¹⁷ C Mandler, “Three Mile Island nuclear plant will reopen to power Microsoft data centers,” *NPR*, September 20, 2024, <https://www.npr.org/2024/09/20/nx-sl-5120581/three-mile-island-nuclear-power-plant-microsoft-ai>.

¹⁸ Jaxon White, “Pa. water supply could be strained by new data centers, water managers warn,” *The Allegheny Front*, August 15, 2025, <https://www.alleghenyfront.org/pennsylvania-data-centers-water-supply/>.

¹⁹ Erin McCarthy, “Peco is starting a \$10 million relief fund for customers with overdue bills,” *The Philadelphia Inquirer*, July 30, 2025, <https://www.inquirer.com/business/peco-overdue-bill-relief-fund-20250730.html>.

big names like Amazon to smaller companies—have caused so many local residents to go into default on their energy bills that the Philadelphia Electric Company (PECO) declared a \$10 million amnesty fund.²⁰

This is a critical moment to establish protections and prioritize Philadelphia residents’ wellbeing, needs, data, and resources over corporations.

2. Policymaking on AI for the Public Good

Policymakers across the country, in partnership with impacted communities, are figuring out how to meet this moment. The stakes are high: AI must not be used to justify and entrench Big Tech corporate interests in public infrastructure while creating a centralized surveillance system that violates Philadelphian’s privacy and autonomy.

Several trends have emerged in policymaking that increase the harms of AI, even when driven by good intentions. Research and community experience shows they need to be avoided: deploying AI in a pressure to improve efficiency without addressing underlying needs, focusing on superficial impacts without core protections for workers and residents as a whole, and deploying AI to increase surveillance.

First, city agencies are all too often deploying AI in decision-making without people being aware, and without adequate evaluation or assessment. Second, a number of local initiatives have focused on measures that fall far short of the protections needed: retroactive transparency measures without enforcement power (such as reports on the AI tools in use without mechanisms for accountability, redress, or restriction on use) or reskilling for workers (rather than stronger policy options in the forms of protections against layoffs and involvement of workers in procurement and deployment decisions).²¹ Finally, the harms are painfully clear with use of AI to increase surveillance—such as the failed proposal for live facial recognition in New Orleans or the vast expansion of automated license plate readers all too easily used by ICE to target immigrant communities.²²

Drawing on both these failed experiments and positive examples, here are three principles to follow in policymaking around AI:

- **First, start with a zero trust policy agenda for AI.** Tech companies need to prove every step of the way, including before any implementation, that their product is not causing harm, rather than putting the responsibility of accountability on the people upon whom the tech is deployed. Years of experience show that blanket trust in AI firms’ benevolence is not a smart, informed, or credible option.²³ We need brightline rules that restrict the most harmful uses of AI, regulate the AI life

²⁰ Ibid.

²¹ Kate Brennan, Amba Kak, and Sarah Myers West, “Artificial Power: 2025 Landscape Report, AI Now Institute, June 3, 2025, <https://ainowinstitute.org/publications/research/ai-now-2025-landscape-report>.

²² Douglas MacMillan, “New Orleans pushes to legalize police use of ‘facial surveillance,’” *The Washington Post*, June 12, 2025, <https://www.washingtonpost.com/business/2025/06/12/facial-recognition-new-orleans-artificial-intelligence/>; Jason Koebler, “ICE Taps into Nationwide AI-Enabled Camera Network, Data Shows,” *404 Media*, May 27, 2025, <https://www.404media.co/ice-taps-into-nationwide-ai-enabled-camera-network-data-shows/>.

²³ Accountable Tech et al., “Zero Trust AI Governance,” August 10, 2023, <https://ainowinstitute.org/wp-content/uploads/2023/08/Zero-Trust-AI-Governance.pdf>.

cycle from nose to tail, and ensure that the industry that currently creates and profits from AI isn't left to regulate and evaluate itself—essentially grading its own homework. Philadelphia residents cannot afford this, in any sense of the word.

- **Second, establish transparency as a critical step in the process, but understand it is not the end game. Transparency alone will never be enough.** In regulating AI and other technologies, communities and even policymakers have historically had to fight to understand the very basics of what technology is being deployed by city agencies and corporations, how, and upon who. Accessing this information is critical, but transparency and reporting alone cannot stop the most egregious uses. We've seen this in the surveillance ordinances passed in a number of cities, including Boston and New York, where required city reporting on how surveillance technology is used is often delayed or incomplete, and has not meaningfully curtailed the technology's deployment and harms.²⁴
- **Third, start with the problem, not the perceived "solution."** Tech companies aggressively pitch products to city agencies, which often face immense pressure to adopt AI to be more "efficient." This is exacerbated by significant budget shortfalls, stretched staff, and the daily life-and-death needs of constituents. However, this approach often obscures or bypasses the fundamental problem supposedly being fixed, which is where we should start, and further distances us from addressing the core challenges of limited resources that city agencies face.

We instead need to ask from the beginning: What problem are we trying to address? What will help us do that? If someone is pitching AI or another technology, is this the correct intervention? Technology is rarely the answer for social and economic problems, and this isn't just about AI; we have a long history of technological "solutions" papering over deeper societal inequities. Investing in the foundations of our communities—more schools, public parks and libraries, job training programs, and deeply affordable housing—is frequently the smarter, more durable investment than the promised "quick fix" of a tech product.

3. How to Invest in People, not in Corporate Power

Building a city that works for all in Philadelphia means ensuring that corporate tech power does not take away people's ability to live with dignity. With the push for deregulation on AI at the federal level, local governments are on the frontlines of protecting constituents. There are multiple immediate, meaningful actions that the Committee and Council can take, drawn from examples across the country and consultation with community groups in Philadelphia:

- **Protect the public from AI use in high-stakes agency decisions:** More than a decade of research has shown how algorithms encode bias, harm low-income communities, and meaningfully take away people's opportunities with little recourse. We know that when governments implement

²⁴ "Coalition of Advocates and Academics Submit Joint Comments Documenting the NYPD's Failure to Comply with the POST Act," Brennan Center, February 24, 2021, <https://www.brennancenter.org/our-work/research-reports/coalition-advocates-and-academics-submit-joint-comments-documenting-nypds>.

algorithmic decision-making systems in benefits administration or to ostensibly reduce fraud, they often discriminate and produce incorrect results with life-altering consequences.²⁵ These outcomes persist even when abiding by best-in-class mitigation techniques. The most scrutiny needs to be in the first phase, where we evaluate whether AI is the right tool for the job before any testing, pilot, or deployment, and assess the value proposition of substituting human decisions with AI versus other tools or mechanisms. Philadelphia can build on the learnings that we have from other jurisdictions and prohibit or restrict the use of algorithmic decision-making systems for critical decisions about people's lives, including in benefits, housing, education, policing, incarceration, and parole.

Where a significant percentage of AI tools are being provided by external vendors, measures can also be taken within procurement processes to ensure that other forms of AI use within city agencies do not exacerbate documented harms. This includes establishing robust AI governance processes that require transparency and documentation including of third-party dependencies, mechanisms to retain control of city and resident data, limits to the scope of Master Service Agreements to ensure new AI tools or features are not deployed without evaluation, contract stipulations to maintain agency authority over contracts and vendor changes in the product, and ability to reject contracts or suspend use.²⁶

- **Pass brightline bans on the most egregious applications of AI:** Some applications of AI are simply too dangerous and harmful to be permitted under any circumstances. Philadelphia is already a leader here, with the 2024 ban on rental price-fixing by corporate landlords to artificially inflate rents.²⁷ The City can build on this action to prohibit or restrict AI use in areas such as education, employment, child welfare, critical aspects of the criminal legal system including youth involvement, policing, and additional forms of surveillance pricing. These actions would meaningfully protect immigrants, poor and working-class people, and Black and brown communities facing ongoing systemic harms exacerbated by technological interventions.
- **Prohibit or limit the expansion of power-hungry, thirsty AI data centers:** Contrary to what tech companies and data center developers pitch, the vast majority of expanding data center capacity serves “enterprise clients” such as fossil fuel companies, the defense industry, and Big Tech’s speculative AI technologies, not the daily digital needs of everyday people. This buildout is threatening precious clean water resources, raising energy prices for everyday people and small businesses, locking more sustainable industries out of our energy grid, reviving dirty energy infrastructure, and producing air pollution that increases asthma and cancer rates—all while

²⁵ Kevin De Liban, “Inescapable AI The Ways AI Decides How Low-Income People Work, Live, Learn, and Survive,” TechTonic Justice, November 2024, <https://static1.squarespace.com/static/65a1d3be4690143890f61cec/t/673c7170a0d09777066c6e50/1732014450563/tj-inescapable-ai.pdf>.

²⁶ Roya Pakzad and Cynthia Conti-Cook, “Key Considerations When Procuring AI in the Public Sector,” Taraaz and Collaborative Research Center for Resilience,” August 2025, https://static1.squarespace.com/static/5d159d288addab0001036c45/t/6890f9066bf93951bedd9485/1754331401682/AI_Procurement_Taraaz_CRCR_2025.pdf.

²⁷ Wendy Fry, “Landlords Are Using AI To Raise Rents.”

creating remarkably few jobs and threatening public budgets.²⁸ The industry has targeted the state and we expect this hollow boom to come for Philadelphia. The City Council can join jurisdictions across the country in embracing proactive protections: passing a ban or moratorium on certain types of data center development, updating zoning regulations, and protecting water and energy resources.²⁹ If and when the AI bubble bursts, Philadelphia ratepayers should not pay the price.

- **Finally, invest public dollars in basic services, not increased surveillance, tech solutionism, and corporate handouts—and include community members in decision making.** Rather than corporate subsidies or public investment in AI companies, the City can ensure that funds are invested in essential services such as public education, parks, healthcare, and dignified jobs. In the event that a city agency must purchase AI technology, the City can attach strong conditions onto public funds to ensure that tax dollars work directly for the city *and* that purchased technology abides by strong accountability measures,³⁰ and where possible that agencies are investing in their own tech development and people power rather than Big Tech vendor lock-in. To achieve this, transparency in procurement, contracting, and AI use is essential—alongside robust mechanisms for community input, accountability, and public control of deployed technologies. To move beyond symbolic participation, the City can ensure that public engagement starts at the outset of any process before a technological solution is even identified, includes accessible information and methods for engagement, builds longstanding partnerships with community groups and civil society organizations, and involves deep assessment and collective evaluation and decision making.³¹

There are additional strong actions to take: protecting city jobs, further democratizing procurement, and protecting residents’ data, among other interventions. The City can work with community members and local advocates to build out a robust suite of protections and ensure that any deployment of technology and AI prioritizes residents over corporate wallets and interests.

²⁸ Greg LeRoy and Kasia Tarczynska, “Cloudy With a Loss of Spending Control: How Data Centers Are Endangering State Budgets,” Good Jobs First, April 2025, <https://goodjobsfirst.org/wp-content/uploads/2025/04/Cloudy-with-a-Loss-of-Spending-Control-How-Data-Centers-Are-Endangering-State-Budgets.pdf>.

²⁹ “Data Center Policy Guide,” AI Now Institute, 2025 [forthcoming], <https://ainowinstitute.org/publications/research/data-center-policy-guide>; Kasia Tarczynska, “Data Centers: Key Reforms for State Subsidy Legislation,” Good Jobs First, September 23, 2025, <https://goodjobsfirst.org/data-centers-best-reforms-for-state-subsidy-legislation/>.

³⁰ These conditions may include antidiscrimination provisions, transparency requirements, labor requirements (including training city workers to control the technology), privacy and data minimization provisions (including restrictions on cross-agency data sharing), and reinvestment requirements (requiring tech firms to contribute to city trainings, workforce development, or city infrastructure). These conditions must be binding, legally enforceable, and exist as grounds to reject contracts if and where tech firms cannot abide by accountability measures.

³¹ Roya Pakzad and Cynthia Conti-Cook, “Key Considerations When Procuring AI in the Public Sector.”