



HL INFLUENCERS: DIGITAL TRANSFORMATION TRANSCRIPT

ANIA HELSETH

Leo von Gerlach	Hello everybody and welcome to another edition of <i>The Influencers</i> , our podcast conversations on Digital Transformation and Law. I'm Leo von Gerlach and with me today is Ania Helseth, policy manager for EU affairs for AI Media and IP at Meta. That is Facebook and Instagram's great social media parent company and that is very certainly an extremely exciting position, in particular at times of intense discussion about the right calibration of AI, how it interacts with media and platform regulation overall, but in particular in Europe. So, Ania it's great to have you.
Ania Helseth	Thanks so much Leo for having me here. Will be a great time to have this discussion.
Leo von Gerlach	Absolutely, and perhaps let's dive right into it. Tell me about your role at Meta in Brussels. What's your focus in general and during these days in particular?
Ania Helseth	Yes. So my work at Meta is, I am part of the policy team in Brussels which means, basically that I am as part of my team in the center of various regulatory ideas and initiatives that the European Union is putting forward in space of digital and other issues that affect the company and broader sector, of course. Brussels is an extremely volatile environment in terms of being the seat for the European Commission. We have European Parliament and the Council here, so that's in our view, the center where it all happens in terms of law making for new Member States, so it's really exciting place to be and my role here is to obviously focus and assist the company in terms of building our position on various issues around AI, but also around IT media regulation, there's plenty of initiatives the Commission is putting forward and obviously companies including Meta are asked to put forward some of their positions, recommendations and of course provide consultation response and things like this. So that's my everyday job.
Leo von Gerlach	Well so very exciting, and Meta obviously being a very big, huge organization. Just some more light on where do you sit in this big organization, how it fits in, how strong aligned you are, how local you are? So how is the bigger organism looking in relation to what you are doing

Ania Helseth	<p>Yes, of course. By now it's a large company. It is definitely many different teams that we interact but here we are talking about policy team. Policy team is the org that deals with various regulatory initiatives that are not yet a law in place that we need to be compliant with but is being built. Policy team, of course, has a Brussels component, a very important part where I am sitting, but also has a number of offices across Europe and across the whole world. So we basically have colleagues working on similar issues like in Australia and Singapore and of course in the US. And the whole team is aligning together through, what we like to call, cross functional effort, except in meetings where we try to align on the common position on those issues which are frankly speaking very global. So that's also important for us to note that when we discuss Europe here, most companies are operating in this global framework o we are trying of course make sure that those laws are as aligned with each other as possible.</p>
Leo von Gerlach	<p>Absolutely. And particularly in these just so extremely volatile areas of AI regulation, media regulation and how they relate to one another and Europe being one of those hotspots and just going into the need of public affairs in in this area. There has been a lot of talk about the EU's code of practice for generative AI in particular. Meta has taken the position in that, so just share with us your position, your thinking towards this latest activity coming from the European Commission?</p>
Ania Helseth	<p>Yeah, of course. So AI Act has been of course, agreed quite a while ago and unfortunately already by now, we think it's a little bit outdated. The technology moved really fast in this space and it was perhaps a bit premature to regulate some of those aspects that pertain to G5 models so that the models that have general purpose AI in mind. But of course now we're in the process of working on the Code of Practice, this process is far from finished. So I'm afraid I can't even share our position here because we're still waiting for the final draft coming from both the chairs, that convenience in this...in this working groups on the Code of Practice. And that are supporting the AI office that you can Commission in building this this code of practice. I would say and it's more secret in as it was many different reporting about it in in various media reports on various platforms etcetera. The process is quite complex, it involves a lot of players, not just AI companies but a lot more players. And therefore passing feedback and getting let's say heard is increasingly challenging. So we'll see where this process lands. We expect to see the final draft of the Code of Practice quite soon and then I think we'll all provide some final rounds of comments but right now the process has been rather difficult, you know, I have to say.</p>
Leo von Gerlach	<p>And you said that you thought, and you said that with many others that the activity by the European legislator may have been a little bit premature, in particular in the area of generative AI and I also understand, well, some of the criticism is around some over regulation for something that is really very high upstream and therefore a little bit</p>

	<p>application agnostic. And that seems to be something that I understand resonates more and more, with the European Commission. We have now seen the AI contingent action plan in April and one of the action items, as I understand it, is ireregulation, something perhaps new coming from the European Union. Do you think they have kind of corresponding to your request. So how do you rate this new tone?</p>
Ania Helseth	<p>Yeah so, of course, it's not just Meta, it is the whole industry and moreover, European companies were speaking quite clearly and loudly, I would say, to the European Commission and to the Member State that you were perhaps over pivoted in terms of regulating tech sector. I think we are facing numerous regulatory frameworks. I think we counted it over 270 regulators, 100 plus regulations over 70 pieces of new digital legislation that has been adopted only since 2019, that's not a very business friendly environment, of course. That's also very regulatory and predictable environment. We are now in this quite special moment where the AI is really picking up speed and Europe definitely have a big role to play here. All the regions are completely whole, provide the best solutions, will tap into the potential of AI. You can do it in different ways. You can do it by building your own model but for example for models that are open of course like Meta's model, other applications can of course use it. Use it for free. Use it without license. That's the whole concept of open source. So there is a huge kind of opportunity right now, economic opportunity with AI that you should focus on instead, as I said, there is a lot of regulatory regime being proposed in the past few years which in the end proved the situation that the market is not growing as expected, and companies are feeling the pressure and of course certain you know, strong messages have been passed. They've been commissioned on European side as other side as well to kind of have this moment of pause and we're thinking whether we really need, you know, every time some technology appears, whether immediate solution is to have a new regulation or whether we can, you know, take time and kind of see where this this can go. So obviously AI component that you refer to, there's a part which talks about apply AI and I know the Commission is thinking a bit there how to revisit this? How to maybe include some of the real acts to this digital omnibus. We obviously very much, you know, appreciate this and we definitely call for, you know, AI Act being part of it somehow as well. This is the core legislation that we think is a little bit misaligned with where the technology is right now.</p>
Leo von Gerlach	<p>That makes sense. So you're saying there is too much, too fast. But then perhaps the question in response, something needs to be regulated because there are some issues and in particular some media related issues coming with the broader use of artificial intelligence. You also mentioned open source applications and the open source, this whole system that Meta has invested into, how would you just rearrange the pieces in a way that's regulation makes sense in a more basic sense that</p>

	this is what one need to have, this is one how should be responded to different types of artificial intelligence, possibly using different systems?
Ania Helseth	<p>Obviously, on the broader side of tech regulation, there are two reports that have been made by a prime minister, former Prime Minister Draghi and former Prime Minister Leto, I think there was a lot of help for recommendations. Chinese report conclusion was that heavy rules are killing our companies. So basically his recommendation in the report, you know, was quite clear, like to the European Commission, you know, reflect, polls and perhaps remove some laws that you pass very quickly. Commission is trying of course, to do that. We just generally, saying that AI should be part of that discussion in the sense that the chapter on GP is on general providers of AI is something that was added very quickly in the final almost moments of negotiations and when things are added quickly without you know, enough time to consider then the consequences sometimes can be quite, you know, negative for the general, you know, uptake of AI and applications here in Europe. So I would say tech sector is not arguing that there shouldn't be any rules in place, it just sounds like you shouldn't just, you know, take everything and kind of try to see, okay, how else can we include this company or that company into this regulatory framework, it should be really on the new data and for regulatory action then that should be taken. But here there was clearly a little bit of political pressure, a little bit of time pressure, I think to close the negotiations and there we are and obviously if you look at other regimes in other parts of the world, you know their legal frameworks are much more permissible, which doesn't mean that there is something really bad happening in those legal frameworks. So I just think it's a reflection that the Commission is coming now to that this very heavy regulatory approach ultimately, doesn't benefit many European companies and the market suffers.</p>
Leo von Gerlach	<p>Yeah, absolutely. Generative AI was squeezed into the regulation at the very last moment and then we now see these code of practices which give further emphasis to this and it all just reinvigorates the question. Does that really make sense, given that the technology is (a) still young and (b) just having that general purpose character not really fitting into the otherwise existing architecture of the European AI regulation. But still the question is what should come instead. Would that be self regulation, where you say, yeah, let us time to look after ourselves and get to grips of how we can best be responsible with these systems that we develop?</p>
Ania Helseth	<p>Look, I think the idea that the Commission initially had was based on risk and the risk factors were something where they were defining the need for regulatory frameworks so high risk applications. And those ideas were perhaps, you know, that the Commission started with was something that was perhaps needing regulatory action but it's really expanded beyond that and it went really, really broad. And of course right now, you know, the unintended consequences are only visible now. So of course now it's, you know, late because we have the regulatory act in place, which</p>

	<p>doesn't mean that of course the Commission cannot take a moment and kind of, you know, make a pause and reflect and perhaps adjust but you know, we need to remember that the initial proposal on AI act but also many different laws that were proposed, looks initially quite different than what the end result is, where you rush things in, not enough time for various, you know, assessments and input from, you know, neutral stakeholders but it's more very political and very driven by time constraints and the results are not great for that. You know making ultimately, you know, we have plenty of examples. I'm sure European companies have plenty of examples of reporting obligations, contradicting provisions, regulatory frameworks where regulators have very similar competences. So there's competence creep between regulatory authorities. This is an issue but of course it doesn't start. Perhaps with the bad proposal, sometimes the proposal itself is perfectly fine. It's just things are being rushed in and then we end up with all those being regulated, those that you know, show people how to write an e-mail. And this is a very different model than some of the high risk AI cases we were discussing when we were starting with the proposal.</p>
Leo von Gerlach	<p>And would that mean that your kind of best piece of advice to the Commission would be to simply press the pause button for now or would you still at least just encourage some sort of self regulation towards which big model developers should be held and courage too.</p>
Ania Helseth	<p>So I think the first step would be the polls button, indeed because the implementation time is running and you know it's clearly defining the law and you know, and without polls where you can't have a real discussion because again, you're under strict time pressure. Once you have the polls, then you can, you know, rethink whether all the provisions needed regulatory attention and see what can potentially move to an exercise such as digital omnibus or things like this can be considered some regular...self regulatory action, what you suggest but it's also I think the first discussion should be rather about what is the purpose, what are we regulating for, what are the risks, what...are there any risks and if so are we having assessment of them? So things like this. There's the steps that you normally take when you start regulating any kind of system. Here, I think it was a little bit missing. So I think the first step would be okay, let's pause and actually have a reflection and then see what we can do. I wouldn't maybe jump to immediate conclusions. What should...you know, it should be? No regulation, self regulation, coregulation. I mean these are like...this would come after. But I think right now the industry is more concerned about the implementation time running.</p>
Leo von Gerlach	<p>So I'm just assuming we get some polls, we get some more deregulation in the spirit of the continent AI action plan. Who would be the prime beneficiary of that model developers just like Meta, more the downstream application developers or even the users. Or would that be evenly</p>

	spread? What is your best guess on how that would translate into real benefits for those who participate in the system?
Ania Helseth	<p>I think it would benefit generally the economies,. So like everyone in in some way or another, I think right now because there is a regulatory heavy regime, very unclear, some products are delayed in the entry to the market. We heard about it so consumers are probably unhappy because they don't get the same services that other regions get. If you are not launching the model, then applications developers cannot work on your models that you open source. Of course to develop their own ideas, solutions. Not everyone immediately can go and scale up to build the old model but you can of course adapt and fine tune open source model to your own needs, and that's already a great part of the development here in Europe. Of course, for us having some kind of stability but also regulatory certainty is it's really important, right. Right now we receive a lots of contradicting signals from the side of the law, making lawmakers and regulatory authorities and it's really difficult to start launching new products when you don't really know what rules apply to you. You don't know how the code of practice that you refer to will take shape. There's so many stakeholders involved in drafting it but ultimately the rules are just for you, right? So it's lots of, you know, stakeholders were involved and drafting their various reiterations of the code of practice but actually the compliance effort is on the AI companies which kind of puts you know a lot of question marks, how do you build the next model, how do you reiterate the next model. So these are the concerns that I think if, you know, Europe would change the regulatory mindset a bit would ultimately benefit the whole ecosystem from consumers, users up to businesses that develop applications and up to the of course model providers. And ultimately, you know, I think we all want to be successful in terms of attracting AI into our region and I know UK is trying to do that. I know of course the US is trying to do that. Other regions are trying to do that. So Europe, we're creating a really burdensome regime is doing something that is, I would say counterintuitive, perhaps, towards where the rest of the world is going.</p>
Leo von Gerlach	<p>Fascinating speaking with you and your perspective on generative AI and how much or how less it should be regulated and how wrong the European Commission has gotten it for the moment, and to see whether some change is taking place and whether that will be smaller or bigger. All that is very, very interesting to watch and therefore it was all the better to have all your insights. Terrific speaking with you Ania, thank you so much. Thank you so much for being with us and sharing all your insights and thank you everybody for listening in and hope to see you soon at the next edition of the influencers that is coming up soon. Until then, take care. Goodbye.</p>
Ania Helseth	Thank you so much.

Outro	If you are eager for more on the latest digital trends, visit our Digital Transformation Academy
-------	------------------------------------------------------------------------------------------------------------------