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135 N Pennsylvania Street, Suite 200
Indianapolis, IN 46204

Thursday, October 17, 2024

Dear Honorable Indiana Leaders and Mr. Larsen,

Today, I write to you not just as a business leader, but as a concerned citizen and native Hoosier who believes that the future prosperity of Indiana hangs in the balance.

As the founder and CEO of Upper Hand, an Indianapolis-based sports technology company, I have witnessed firsthand how artificial intelligence (AI) is reshaping small businesses and complete industries at breakneck speed.

Over the past decade, we have navigated for our customers many transformations with grit, hard work, and perseverance—characteristics that have helped us overcome market challenges, paradigm shifts, and flawed aspects of business models and other common battles entrepreneurs face. However, these qualities alone will no longer be enough to survive, compete, and thrive in the face of the challenges brought by artificial intelligence.

A few years ago I recognized the need and launched Upper Hand AI to better position our customers to compete in the age of artificial intelligence, at which point it became increasingly clear to me that there is a significant gap in understanding what AI is, what it means to the business community and way of life, and what is absolutely coming next.

This gap is concerning because the potential impact of AI is immense, and without proper understanding and preparation, it will catch many by surprise - leading to problems our state has not seen in my lifetime and throughout our storied history.

Today, big tech companies like Google Gemini, Meta's Llama, OpenAI's ChatGPT, X.com's Grok, Anthropic's Claude, and Microsoft's Copilot are leveraging their vast resources to develop AI at an unprecedented scale (a feat that is not only impossible for a small business owner architecturally but also financially). These entities are, in effect, forming new state-like structures, operating with significant power but limited accountability. Without proper oversight, their pursuit of innovation could lead to unintended consequences that undermine our way of life and doing business overnight. And this is difficult for me to write, as I use every one of the applications mentioned to some degree or another. Yet therein lies the opportunity and problem.



The Risks If We Do Nothing

To be clear, the risk isn't that AI will suddenly turn against us. The real threat is that we'll sleepwalk into a future where the very fabric of our society – our Constitutional rights, our Bill of Rights, our civil liberties – is eroded by technologies we failed to properly understand and regulate. Led by companies far more powerful than our own local, state and federal government.

The dangers posed by the unchecked and unregulated growth of AI are not hypothetical—they are real, and they are happening now. Here are just a few of the immediate threats:

Loss of Control Over Data

Every interaction we have online, every document we create, and every service we use is stored, processed, and refined by AI models. We currently have no visibility into how our data is being used, who has access to it, or what future AI models are being trained to do with it. What happens when our personal data becomes the foundation for an AI system we cannot control? This could lead to serious privacy violations and exploitation at both individual and corporate levels.

Security Risks and Fraud

AI has reached a point where it can not only communicate with human-like empathy but also replicate voices with near-perfect accuracy. Imagine an AI-generated call impersonating someone you trust—obtaining sensitive information, gaining access to personal accounts, and crippling entire families or businesses. Without proper guardrails, this technology could become a powerful tool for nefarious actors.

Educational Impact

Already, students can paste any question from any test or exam into an AI, and they will receive an accurate answer. While this may seem like a minor issue today, it forces us to ask: what are our children really learning if AI does all the work for them? The next generation could be left with significant knowledge gaps, leaving them unprepared to think critically or independently in a world increasingly driven by AI.

Corporate Dominance and Economic Disparity

The biggest companies—Google, Tesla, Meta, Microsoft, OpenAI—are building massive infrastructures of AI-driven technologies. Entire cities of servers are being dedicated to processing their proprietary AI models, giving them a massive competitive advantage. Meanwhile, small and mid-sized businesses, which are the backbone of Indiana's economy, lack the resources to keep up. The divide between companies that can afford AI and those that cannot will grow, creating a landscape where only the wealthiest organizations thrive, and smaller ones are left to fall behind. And do not misunderstand the use of smaller in this case. Most Fortune 500 companies are at risk as they often operate on smaller margins without the capacity to invest the necessary capital to build homegrown AI solutions.



This is not just a corporate issue; it's an economic one that will reverberate across industries and companies that call Indiana home.

Workforce Displacement

AI will not replace people, but it will replace jobs and the very nature of work itself. It's already happening. Tasks that once took humans hours or days can now be done in seconds by AI. What does that mean for the future of employment? How do we protect our workforce from becoming obsolete while still embracing the potential AI offers? These are questions we cannot afford to leave unanswered.

The Future of Education and Work

In a world where AI can write essays, design software, and solve complex math problems, why would our children need to spend years in college learning these same skills? What is the value of investing in a college education if AI can do the work for them? We are hurtling toward a future where traditional educational paths and career trajectories could be completely upended.

These risks are not hypothetical. They are unfolding as we speak, and if we fail to address them with urgency, we risk economic, social, and personal catastrophe.

The time for action is now. We need a comprehensive all-out effort that brings together our brightest minds from academia, industry, and government. We need to invest in AI education, support our local tech innovators, and create ethical guidelines, while ensuring innovation prospers, that ensures AI serves the people of Indiana, not the other way around.

A Call to Action for Indiana

I urge the leadership of our great state to form a coalition that includes business leaders, academic institutions, and corporate stakeholders. This group must address the opportunities and risks posed by AI with the foresight needed to adapt and thrive in this new era.

This coalition would focus on several key initiatives:

- AI Research and Development
- Education and workforce training
- Regulation with innovation in mind
- Business support
- Public-private partnerships

If such an initiative already exists, I urge you to accelerate its pace. The speed of AI development demands action now, not later. The time for awareness has passed. What we need now is decisive, strategic leadership.

The spirit of innovation runs deep in Indiana's veins. From the invention of the gas pump in Fort Wayne to the development of insulin in Indianapolis, we have a proud history of



technological leadership. Now, we stand at another pivotal moment. Will we be remembered as the state that boldly embraced the AI revolution, or as one that was left behind?

In closing, I urge you to act with the urgency this moment demands. The AI revolution waits for no one—not for individuals, not for companies, and certainly not for states. Let us be the ones who shape this revolution, rather than be shaped by it. Let's not be the generation that stood by as the world changed around us. Let's be the ones who harnessed the power of AI to build a brighter, more prosperous Indiana for all.

I stand ready to contribute, to lead, and to collaborate.

The future of Indiana is in your hands. Let's prepare it together.

Always my best,

Kevin R. MacCauley

Chief Executive Officer, Upper Hand
Resident of Westfield, Indiana

B.S., Kelley School of Business, Indiana University, Class of 2007

M.S. Candidate, Applied and Computational Mathematics and Statistics, University of Notre Dame, Class of 2025

Scan and connect with me on LinkedIn:



cc: All recipients listed in the appendix



Appendix: List of Recipients

U.S. Senators:

The Honorable Todd Young
115 N. Pennsylvania St., Suite 100
Indianapolis, IN 46204

The Honorable Mike Braun
46 East Ohio Street, Suite 462
Indianapolis, IN 46204

U.S. Representatives:

The Honorable Frank J. Mrvan (District 1)
230 N. 4th St., Room 222
Lafayette, IN 47901

The Honorable Rudy Yakym (District 2)
11611 N. Meridian St., Suite 415
Carmel, IN 46032

The Honorable Jim Banks (District 3)
107 W. Charles St.
Muncie, IN 47305

The Honorable James E. Baird (District 4)
420 Main St., Suite 1402
Evansville, IN 47708

The Honorable Victoria Spartz (District 5)
279 Quartermaster Ct.
Jeffersonville, IN 47130

The Honorable Greg Pence (District 6)
50 N. 5th St.
Richmond, IN 47374

The Honorable André Carson (District 7)
355 S. Washington St.
Danville, IN 46122

The Honorable Larry Bucshon (District 8)
901 Wabash Ave., Suite 140
Terre Haute, IN 47807



The Honorable Erin Houchin (District 9)
2 Public Sq.
Shelbyville, IN 46176

Governor:
The Honorable Eric Holcomb
Governor of Indiana
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