Teacher Answer Key

Case Study

1. The reading says that on free or subsidized tiers, conversations may be logged, reviewed by human employees, and used to improve future models. It specifically notes that users trading access for data is the economic reality of free AI services. Since the school district is presumably receiving a subsidized or cost-reduced service, student conversation data being used for training would be consistent with how these companies typically operate unless the contract explicitly prohibits it.

2. Student conversation data would be valuable because it represents a specific and underrepresented dataset — the questions, vocabulary, misconceptions, and phrasing patterns of students learning academic subjects. AI companies can use this data to fine-tune models to be better tutors, which makes their products more valuable and competitive. Data from free or subsidized users is effectively a form of payment, and the more specific and high-quality the data, the more valuable it is for training.

Multiple Choice

1. B
2. A
3. C

Matching

1-B, 2-A, 3-D, 4-E, 5-C

Fill-in-the-Blank

1) billion, 2) benefit, 3) weights

Short Answer (Sample Responses)

Q1: Investors are betting that future AI capabilities will create dominant market positions — similar to how Amazon lost money for years building infrastructure that eventually generated enormous returns. This financial structure means companies are under pressure to move quickly and grow market share, which can conflict with slower, more cautious safety-first approaches. Companies that accepted billions in venture funding cannot easily conclude their technology should be deployed more conservatively.

Q2: Open source enables independent research, removes dependency on a few large corporations, and allows developing countries and smaller organizations to access capable AI. Closed source allows developers to maintain and update safety

guardrails, preventing misuse of dangerous capabilities. A policy recommendation might support closed source for high-risk applications like weapons research or autonomous weapons systems, while open source is acceptable for general productivity tools where safety risks are lower and access benefits are high.

Q3: OpenAI's shift from nonprofit to for-profit structures creates pressure to generate revenue that may influence decisions about safety delays, data policies, and feature development — prioritizing products that monetize well over ones that are simply the safest. Anthropic's public benefit corporation structure theoretically constrains it from purely profit-maximizing decisions, which explains why it prioritizes safety research and takes a more cautious deployment approach. Meta's open-source strategy benefits Meta by commoditizing AI, but the business logic is not safety-driven — it means Meta's AI tools can be adapted in ways that serve Meta's advertising and data business.