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Client Alert

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Considerations from America's AI Action Plan

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Background

On July 23, the White House released "America's AI Action Plan" (the Plan), a comprehensive federal strategy aimed at ensuring the United States achieves and maintains global leadership in artificial intelligence (AI). Developed in close coordination with federal agencies, industry, academia, and international partners, the Plan is structured around three foundational pillars: (1) accelerating AI innovation, (2) building robust AI infrastructure, and (3) leading in international AI diplomacy and security. The Plan recognizes AI as a transformative technology with the potential to reshape the global balance of power, drive economic growth, and revolutionize industries ranging from manufacturing and health care to national defense and scientific research.

The Plan sets forth a sweeping array of policy recommendations and regulatory reforms designed to foster private sector-led innovation, revitalize domestic manufacturing, expand AI adoption across government and industry, and safeguard national security interests. It emphasizes the need to remove regulatory barriers that hinder AI development, promote open-source and open-weight AI models, and invest in workforce development initiatives to ensure American workers benefit from the opportunities created by AI. The Plan also calls for the modernization of critical infrastructure, including energy generation, data centers, and semiconductor manufacturing, to support the demands of AI-driven industries.

Importantly, the Plan is not self-executing; it provides a strategic roadmap and specific recommendations to federal agencies, commissions, and offices—such as the Office of Management and Budget (OMB), Office of Science and Technology Policy (OSTP), Federal Communications Commission (FCC), and Federal Trade Commission (FTC)—to guide implementation and resource allocation. Affirmative actions from these entities are required for the Plan's initiatives to move forward. The Plan places particular emphasis on upskilling American talent. It also prioritizes the removal of workers, removing ideological bias from AI systems to ensure they reflect what the White House refers to as "objective truth and American values," and creating secure environments for sensitive AI use cases. It also underscores the importance of international cooperation and technology diplomacy to maintain U.S. technological dominance and protect against adversarial threats in the global AI ecosystem.

Key Pillars and Policy Initiatives

1. *Accelerate AI Innovation*

The Plan prioritizes the removal of regulatory barriers to AI development, emphasizing the need to avoid burdensome federal and state regulations that could stifle innovation. Key initiatives include:

- Deregulation and Red Tape Reduction: The Trump administration (the Administration) will continue to rescind executive orders from prior administrations that are perceived as imposing onerous AI regulations and is directing agencies to identify and repeal rules that unnecessarily hinder AI development. In addition, the OSTP will launch a request for information from private sector businesses and the public at large about current

federal regulations that hinder AI innovation and adoption. In addition to these deregulatory efforts, federal agencies are being directed to address the impact of state-level AI regulations that may impede innovation. The OMB is expected to work with federal agencies that have AI-related discretionary funding programs to ensure, consistent with applicable law, that they consider a state's AI regulatory climate when making funding decisions. Funding may be limited if a state's AI regulatory regime is determined to hinder the effectiveness of federal investments or awards. Furthermore, the FCC will evaluate whether state AI regulations interfere with the agency's ability to carry out its obligations and authorities under the Federal Communications Act. In addition, the FTC has been directed to review all investigations commenced under the previous administration to ensure that they do not advance theories of liability that unduly burden AI innovation. The FTC will also review all final orders, consent decrees, and injunctions and, where appropriate, seek to modify or set aside any that would stifle AI innovation. These measures are intended to ensure that both federal and state regulatory environments support, rather than stifle, AI innovation and deployment.

- Free Speech and American Values: Federal procurement and standards are to be revised to ensure AI systems reflect "objective truth" and are free from ideological bias, with a particular focus on eliminating references to misinformation, diversity, equity, inclusion, and climate change from federal frameworks.
- Open-Source and Open-Weight AI: The Plan encourages the development and adoption of open-source AI models, supporting access to large-scale computing resources for startups and academia, and fostering a healthy financial market for AI compute. The federal government plans to partner with leading technology companies to increase the research community's access to private sector computing, models, data, and software resources, and will build the foundations for a lean and sustainable National AI Research Resource operations capability to connect researchers and educators to critical AI resources. Funding for these initiatives will be allocated through collaboration between agencies such as the National Science Foundation, the Department of Commerce (DOC), and the OSTP, with an emphasis on supporting projects that expand access and drive innovation.
- AI Adoption Across Sectors: Regulatory sandboxes and centers of excellence are proposed to accelerate AI deployment through domain-specific efforts in critical sectors such as health care, energy, and agriculture. The Department of Defense (DOD) and the intelligence community are tasked with regularly assessing AI adoption relative to global competitors.
- Workforce Development: The Administration advances a "worker-first" AI agenda, including new executive orders to promote AI education, rapid retraining, and workforce research hubs to monitor and respond to AI-driven labor market changes. Financial incentives include prioritizing AI skill development as a core objective of relevant education and workforce funding streams, and issuing guidance to clarify that many AI literacy and AI skill development programs may qualify as eligible educational assistance under Section 132 of the Internal Revenue Code, enabling employers to offer tax-free reimbursement for AI-related training. The Administration will also coordinate government-planned hackathons to identify the best and brightest students and workers, and to engage them development. The Department of Labor is also directed to leverage available discretionary funding to support rapid retraining for individuals impacted by AI-related job displacement, with funding allocation based on the identification of eligible dislocated workers and sectors undergoing significant structural change.
- Next-Generation Manufacturing and Science: Federal investment is to be directed toward foundational manufacturing technologies, automated labs, and the creation of world-class scientific datasets to support AI-enabled research and innovation. There will be a particular focus on supporting nonincumbents in the AI ecosystem, including startups and new entrants, by finding ways to increase their access to power and compute resources. The Plan also hints at the possibility of supporting the creation of new financial markets for spot and forward contracts on compute, which could further expand access to and availability of large-scale computing power for innovators. The Defense Advanced Research Projects Agency (DARPA) will play a key role by launching technology development programs to advance AI interpretability (i.e., the degree to which a human can understand the reasons behind an AI's predictions and decisions), control systems, and adversarial robustness, and by collaborating with other federal agencies and others to advance AI

interpretability and AI control systems. Funding for these initiatives will be provided through programs such as the Small Business Innovation Research program, Small Business Technology Transfer program, CHIPS Act R&D programs, and other federal research grants, with allocation methodologies prioritizing projects that demonstrate potential for significant impact on manufacturing capabilities and scientific advancement.

- Supply Chain Resilience: The Plan calls for convening industry and government stakeholders to identify and address supply chain challenges in critical AI-related sectors, such as robotics and drone manufacturing. Efforts will focus on strengthening domestic supply chains, reducing reliance on foreign sources for key components, and ensuring the security and reliability of inputs essential to AI innovation and deployment. Additionally, the Plan includes the development of a procurement toolkit for the General Services Administration to streamline and standardize the acquisition of AI-related goods and services. The government will also prioritize contracting with cloud providers to ensure that, in cases of national emergencies, the government receives priority access to computing resources necessary for critical operations.
- AI Safety and Evaluation: The Plan calls for investment in AI interpretability, control, and robustness, as well as in the AI evaluations ecosystem to ensure reliability and compliance in regulated industries. The Plan emphasizes collaboration with the private sector, including partnerships with leading American AI developers to advance safety and evaluation initiatives. Additionally, it supports the creation of a virtual proving ground within the DOD to enable secure testing and evaluation of AI and autonomous systems, ensuring these technologies meet the unique operational needs and security requirements of the military.
- Expansion of Evaluation and Evidence Standards: The Plan includes measures to expand evaluation standards for AI-generated content and develop new evidence standards to protect the legal system from deepfakes. This includes formal guidelines and forensic benchmarks for detecting and evaluating AI-generated media, as well as recommending that agencies and courts adopt standards for authenticating evidence and addressing the risks posed by synthetic media in legal proceedings (though specific recommendations are not provided).
- Data Quality Standards and Disclosures: The Plan calls for developing and implementing data quality standards to ensure the reliability and utility of datasets for AI model training and for increasing access to federal data by lowering barriers and breaking down silos. It also calls for emphasizing the importance of requiring recipients of federal funds to disclose the usage of training data, ensuring transparency and accountability in federally supported AI research and development (implying that disclosure requirements like those promulgated by California's AB 2013 are overly burdensome for the community at large).
- Government AI Adoption: The Plan seeks to expand governmental adoption of AI, including by formalizing interagency AI coordination, creating a talent exchange program within government agencies for specialized AI technologists, creating procurement toolboxes, and piloting advanced AI use cases across federal agencies and the DOD.

2. *Build American AI Infrastructure*

Recognizing the critical role of infrastructure in AI leadership, the Plan outlines measures to streamline permitting, expand energy capacity and grid stability, and restore domestic semiconductor manufacturing:

- Permitting Reform; Federal Land Access: The Administration is committed to removing regulatory barriers that slow the construction of critical AI infrastructure. This includes establishing new categorical exclusions under the National Environmental Policy Act for data center-related actions that typically do not have significant environmental impacts and adopting existing exclusions from other agencies to maximize permitting efficiency. The Administration will expand the use of the FAST-41 process to cover all eligible data center and data center energy projects, streamlining multiagency reviews and accelerating project timelines. Additionally, the Administration will direct agencies with significant land portfolios to proactively identify and make available federal lands suitable for large-scale data center and power generation infrastructure development. Security guardrails will be maintained to ensure that adversarial technologies are excluded from

these projects and that the domestic AI computing stack is built on American products, free from foreign adversary information and communications technology and services.

- Grid Modernization: The Plan sets forth a comprehensive, phased strategy to ensure the U.S. electric grid can support the explosive growth in energy demand driven by AI and other advanced technologies. The first phase focuses on stabilizing the current grid by preventing premature decommissioning of critical power generation resources and ensuring compliance with nationwide standards for resource adequacy. The second phase seeks to optimize existing grid resources through advanced grid management technologies, upgrades to transmission infrastructure, and innovative demand management solutions for large power consumers. The final phase prioritizes the rapid interconnection of reliable, dispatchable power sources—including enhanced geothermal, nuclear fission, and nuclear fusion—and reforms power markets to align financial incentives with grid stability. The Plan also calls for the creation of new technical standards for high-security AI data centers and a strategic blueprint to guide grid expansion and modernization.
- Semiconductor Manufacturing: The Plan prioritizes restoring American leadership in semiconductor manufacturing by focusing federal investments on projects that deliver strong returns for taxpayers and removing extraneous policy requirements from CHIPS-funded projects. The Administration will reduce regulations that slow semiconductor manufacturing efforts and ensure that federal grant and research programs accelerate the integration of advanced AI tools into semiconductor production processes. This revitalization will generate thousands of high-paying jobs, reinforce technological leadership, and protect supply chains from foreign disruption.
- Secure Data Centers: The Plan advances the development and implementation of rigorous standards for high-security data centers dedicated to military and intelligence community usage. This includes the adoption of classified compute environments that are scalable and secure, capable of supporting sensitive AI workloads. The Administration will prioritize the integrity and security of all components and systems by instituting strict controls on supply chain inputs, ensuring that only trusted, American-made hardware and software are used. Robust cybersecurity measures will be implemented to defend against nation-state threats, and agency adoption of classified compute environments will be accelerated to support the deployment of advanced AI models on the most sensitive government data.
- Workforce for Infrastructure: The Plan launches a national initiative to identify high-priority occupations essential to the buildout of AI-related infrastructure, such as electricians, advanced HVAC technicians, and data center operators. The Administration will convene employers, industry groups, and workforce stakeholders to develop national skill frameworks and competency models for these roles, informing curriculum design and credential development. Partnerships with state and local governments, educational institutions, and industry will expand apprenticeships, early-career exposure programs, and pre-apprenticeships, particularly targeting middle and high school students. The Plan also supports the creation of industry-driven training programs and the integration of these models into federal infrastructure investment programs, ensuring a robust pipeline of job-ready talent for the AI era.
- Cybersecurity and Incident Response: The Plan establishes the AI Information Sharing and Analysis Center, led by the Department of Homeland Security in collaboration with the DOC and the Office of the National Cyber Director, to facilitate the sharing of AI-security threat information and intelligence across U.S. critical infrastructure sectors. The Plan promotes the adoption of secure-by-design AI technologies and applications, with federal agencies issuing and maintaining guidance for the private sector on remediating and responding to AI-specific vulnerabilities and threats. Federal incident response frameworks will be updated to incorporate AI-specific considerations, and agencies will be required to coordinate with chief AI officers and other relevant officials to ensure rapid and effective response to AI-related incidents.

3. *Lead in International AI Diplomacy and Security*

To maintain technological dominance and protect national interests, the Plan advances a proactive international agenda:

- Export of American AI: The United States will establish and operationalize a program within the DOC to gather proposals from industry consortia for full-stack AI export packages—including hardware, models, software, applications, and standards—to allied countries and partners. Selected consortia will work with federal agencies such as the Economic Diplomacy Action Group, the U.S. Trade and Development Agency, the Export-Import Bank, and the U.S. International Development Finance Corp. to coordinate secure, U.S.-approved deals. This initiative aims to meet global demand for AI, prevent strategic rivals from gaining influence, and ensure that American technology sets the global standard.
- Countering Adversarial Influence: The Administration will leverage the U.S. position in international diplomatic and standard-setting bodies to vigorously advocate for AI governance approaches that promote innovation, reflect American values, and counter authoritarian influence, particularly from China. The United States will work with like-minded nations to encourage the development of AI in line with shared values, while opposing efforts to impose burdensome regulations or codes of conduct that promote cultural or ideological agendas misaligned with American interests. The Administration will also monitor and counter attempts by adversarial actors to shape international standards for facial recognition, surveillance, and other sensitive technologies.
- Export Controls and Enforcement: The Plan prioritizes enhanced enforcement of export controls on advanced AI compute and semiconductor technologies, including the development of new controls on manufacturing subsystems that are not currently regulated. The Administration will strengthen global alignment of protection measures by encouraging allies to adopt U.S. controls and, where necessary, using tools such as the Foreign Direct Product Rule and secondary tariffs to prevent backfilling of these technologies by foreign suppliers. The Plan emphasizes the importance of technology diplomacy—driving the adoption of American AI systems, hardware, and standards worldwide, while preventing adversaries from leveraging U.S. innovations. A technology diplomacy strategic plan will be developed to align incentives and policy levers across government and with key allies, ensuring complementary AI protection systems and export controls throughout the supply chain, and maintaining U.S. technological dominance and national security.
- National Security Risk Evaluation: Federal agencies, led by the DOC's Center for AI Standards and Innovation in collaboration with national security agencies, are tasked with evaluating frontier AI systems for national security risks. This includes working in partnership with AI developers to assess risks related to cyberattacks; chemical, biological, radiological, nuclear, or explosives threats; and other emerging vulnerabilities, including those posed by malign foreign actors. The Plan calls for ongoing recruitment of leading AI researchers into federal agencies to ensure the government remains at the forefront of evaluating and mitigating these risks, and for the development and maintenance of national security-related AI evaluations in collaboration with research institutions.
- Biosecurity: The Plan mandates that all institutions receiving federal funding for scientific research use nucleic acid synthesis tools and providers with robust sequence screening and customer verification procedures and with enforcement mechanisms to ensure compliance rather than relying on voluntary attestation. The Administration will convene government and industry actors to facilitate data sharing between synthesis providers to detect and prevent potentially fraudulent or malicious customers. The Plan also calls for international cooperation to promote the adoption of these standards among allies and partners, mitigating biosecurity risks associated with the misuse of AI in biological research.

Conclusion

America's AI Action Plan sets forth a bold and comprehensive federal strategy to secure and sustain U.S. leadership in AI. By articulating the White House's vision across three core pillars—accelerating AI innovation, building world-class AI infrastructure, and leading in international AI diplomacy and security—the Plan aims to catalyze a new era of American technological and economic preeminence.

The Plan also addresses the need for robust cybersecurity, secure data environments for sensitive government and defense applications, and the development of rigorous evaluation and evidence standards to ensure the reliability and trustworthiness of AI systems. On the international stage, the Plan advances a proactive agenda to export American AI technologies, counter adversarial influence, and align global standards and export controls with U.S. interests.

While the Plan provides a strategic roadmap and detailed policy recommendations, implementation will require further direction, coordination, and action from federal agencies, as well as ongoing engagement with industry, academia, and international partners. Stakeholders should closely monitor forthcoming executive orders, directives, and guidance; assess their implications for compliance, investment, and strategic planning; and be prepared to adapt as the United States moves to realize the full potential of AI innovation, economic competitiveness, and national security in the years ahead.

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