



Artificial Intelligence Update

July 2025

White House Releases Sweeping AI Action Plan

On July 23, the White House published ["Winning the AI Race: America's AI Action Plan,"](#) a 28-page comprehensive federal strategy aimed at securing global leadership in artificial intelligence (AI). Developed in response to President Trump's January 2025 executive order, "Removing Barriers to American Leadership in Artificial Intelligence," the plan recommends policy actions across three pillars: accelerating AI innovation, building robust AI infrastructure, and leading in international AI diplomacy and security. The agenda emphasizes deregulation, open-source AI, workforce development, infrastructure modernization, and international cooperation to ensure national security and economic competitiveness.

Pillar 1: Accelerate AI Innovation

The first pillar focuses on fostering an environment conducive to rapid AI advancement by removing regulatory barriers and expanding AI adoption across both government and industry. While the plan does not prohibit state-level AI regulation, as [previously included in and then removed from the One Big Beautiful Bill](#), it directs federal agencies to analyze state AI regulatory regimes when making funding decisions, potentially limiting funding to states with restrictive AI laws, or when evaluating whether state AI laws potentially interfere with a federal agency's ability to carry out its obligations. The plan also:

- Supports open-source and open-weight AI models, increased access to large-scale computing resources, and a new National AI R&D Strategic Plan

- Prioritizes AI literacy and workforce training, including tax-free reimbursement for AI skill development, and rapid retraining for workers displaced by AI
- Recommends investment in next-generation manufacturing, automated labs, and world-class scientific datasets, with requirements for federally funded researchers to disclose non-sensitive datasets
- Emphasizes research into AI safety, interpretability, and evaluation and calls for formalized interagency AI coordination, streamlined procurement, and expanded AI adoption in government and defense
- Calls for the development of formal guidelines to combat synthetic media and forensic benchmarks for detecting deepfakes and for updating legal standards to address AI-generated evidence in the legal system

Pillar 2: Build American AI Infrastructure

The second pillar provides recommendations to create a modernized, secure, and scalable infrastructure to support AI development and deployment, including:

- Streamlining permitting for data centers and related energy projects and reducing regulations under the Clean Air Act and Clean Water Act and other relevant laws with respect to such projects
- Using federal lands for AI-related construction
- Stabilizing and expanding the U.S. electric grid, optimizing existing resources, and prioritizing new, reliable power generation sources
- Revitalizing domestic semiconductor production, with a focus on removing extraneous policy requirements and accelerating the integration of AI tools into manufacturing processes

- Mandating high-security data centers for military and intelligence use, along with a national initiative to identify and train workers for critical AI infrastructure roles
- Establishing an AI Information Sharing and Analysis Center
- Promoting secure-by-design AI technologies
- Incorporating AI-specific considerations into federal incident response frameworks

Pillar 3: Lead in International AI Diplomacy and Security

The third pillar seeks to extend American AI leadership globally while safeguarding national security interests, including exporting the full U.S. AI technology stack to allies, enhancing export controls and enforcement for semiconductors, and aligning technology protection measures with allied nations. It calls for rigorous evaluation of frontier AI systems for national security risks, including chemical, biological, radiological, nuclear, or explosive weapon threats and vulnerabilities in critical infrastructure, and prioritizes the recruitment of leading AI researchers for ongoing risk assessment. The plan also mandates robust screening and verification procedures for nucleic acid synthesis in federally funded research to address biosecurity risks.

Potential Impact for Businesses

As federal agencies begin to implement the AI Action Plan's recommendations in the coming weeks and months, businesses should anticipate a rapidly evolving regulatory and operational landscape. The emphasis on deregulation and open-source AI may create new opportunities for innovation and market entry, particularly for startups and research institutions. However, the plan's focus on conditioning federal funding on state regulatory environments and revising procurement standards could impact eligibility for government contracts and grants, especially in states with more restrictive AI laws.

Companies in sectors such as manufacturing, energy, defense, and life sciences should prepare for increased federal investment and partnership opportunities, and those in all sectors should watch for new requirements for

data sharing, workforce training, and cybersecurity. Companies involved in AI technology or infrastructure development should closely monitor agency guidance on AI safety, evaluation, and export controls, as these will shape compliance obligations and international business strategies. We will continue to monitor upcoming agency actions based on the AI Action Plan.

FOR MORE INFORMATION

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