POLSINELLI

# Publications

July 31, 2025 • Updates

## A Closer Look at America's AI Action Plan: What's Inside and What You Need to Know

### Table of Contents



### Key Takeaways:

- The America's AI Action Plan (the Plan) outlines a broad deregulatory approach aimed at accelerating AI innovation, including efforts to repeal or revise regulations viewed as burdensome to AI development.
- The Plan promotes open-source AI models and expanded access to computing resources for startups and researchers, signaling new public-private partnerships and potential federal funding opportunities.
- AI adoption across sectors is a central focus, with policies supporting experimentation, workforce retraining and sector-specific pilot programs in areas such as healthcare, energy and agriculture.
- Infrastructure development — including data centers, chip manufacturing and power grid modernization — is prioritized to meet the growing demands of AI, along with streamlining permitting and bolstering cybersecurity.
- Internationally, the Plan seeks to counter Chinese influence, tighten export controls on AI technologies and promote global alignment with U.S. AI standards through new alliances and diplomatic initiatives.

### Introduction

On July 23, 2025, the White House released the long-awaited Plan as a follow-up to President Trump's January 2025 executive order promising "to sustain and enhance America's global AI dominance." The Plan itself is an advisory document that provides a comprehensive view into the Trump Administration's priorities with respect to AI. The scope of the Plan is expansive, covering topics ranging from engineering, advanced

### Related People

- Reece Clark
- Kelsey L. Brandes

### Related Capabilities

- Artificial Intelligence & Machine Learning
- Executive Orders
- Privacy & Cybersecurity

manufacturing and energy production to workforce development, education, media and much more. The Plan makes clear that the Trump Administration believes AI has the potential to "usher in a new golden age of human flourishing, economic competitiveness, and national security for the American people." Within the Plan, AI is viewed as critical in a wide variety of areas, both in domestic and international affairs as well as in the private sector and national security.

The Plan itself is structured into three "Pillars": Innovation, Infrastructure, and International Diplomacy and Security. Clients will likely be most interested in the "Innovation" Pillar, which covers key topics in AI adoption, regulation and federal investment. But Pillars II and III are worth reading as well, as they signal the Trump Administration's priorities and policy positions on export controls, chip manufacturing, and energy and environmental issues related to AI data center development, to name a few.

This alert provides a succinct overview of each of the Pillars and key topics that may affect your business objectives. For a deeper dive into how the Plan addresses states' rights, AI literacy and cybersecurity, see our alert discussing why America's AI Action Plan is a "National Security Imperative."

## Pillar I: Accelerate AI Innovation

By far the most robust Pillar in terms of policy recommendations and targeted outcomes, Pillar I covers the following topics:

1. ***Remove Red Tape and Onerous Regulation.*** The Trump Administration views AI as too important to encumber with "burdensome AI regulations" at the state level. The policy recommendations generally track a deregulatory framework for AI including having Office of Management and Budget (OMB) work with federal agencies to identify, revise or repeal regulations, guidance documents, policy statements and interagency agreements that unnecessarily hinder AI development or deployment. Additionally, the Plan calls for a review of all Federal Trade Commission (FTC) investigations commenced under the Biden Administration "to ensure that they do not advance theories of liability that unduly burden AI innovation." This is a clear departure from the Biden Administration's approach, which sought restraint in AI advancement and to use existing laws, rules and regulations for enforcement actions related to AI claims.
2. ***Ensure That Frontier AI Protects Free Speech and American Values***. Among other matters, the Plan calls for building AI systems with "freedom of speech and expression in mind" and for updating federal procurement guidelines to ensure that the government only contracts with "frontier large language model (LLM) developers who ensure that their systems are objective and free from top-down ideological bias." This focus on AI principles and guidelines in government contracting will have implications for those businesses that compete for, and rely on, contracting opportunities from federal offices.
3. ***Encourage Open-Source and Open-Weight AI***. The Plan calls for open models founded on "American values" to become the global standard in business and academic research worldwide. In support, the Plan signals that the federal government should create a supportive environment for open models by, among other things, ensuring access to large-scale computing power for startups and academics. The Plan also calls for partnering with leading technology companies to increase the research community's access to world-class private sector computing, models, data and software resources. This has broad implications for emerging and growth-stage companies focusing on AI innovations and may lead to new research and grant funding for AI advancements.
4. ***Enable AI Adoption***. The Plan posits that AI adoption has been hampered by a

variety of factors including “distrust or lack of understanding of the technology, a complex regulatory landscape, and a lack of clear governance and risk mitigation standards.” We previously identified similar concerns in our earlier work, AI for GCs: What You Need to Know, which discussed that return on investment remains a leading concern for private businesses and, now, the federal government. With appropriate caution, the Plan calls for establishing a dynamic, “try-first” culture for AI across American industry to begin fully exploring return on investment through AI initiatives. Such initiatives may include establishing sandboxes, AI centers of excellence, domain-specific efforts and creating national standards. This policy objective in particular presents a bullish view on AI adoption and calls for cross-agency updates on a comparative level of adoption of AI tools in the United States vs. global competitors and national security adversaries. Healthcare, energy and agriculture are identified as key industries. Clients in these industries may see new avenues for AI development and implementation.

5. ***Empower American Workers in the Age of AI***. This part of the Plan approaches AI from the standpoint of employment and recommends priority be placed on AI skill development including career and technical education, workforce training, apprenticeships and other federally supported skills initiatives. It also calls for classifying AI literacy and AI skill development programs as eligible for educational assistance under Section 132 of the Internal Revenue Code. Finally, it recommends the Bureau of Labor Statistics (BLS) study AI’s impact on the labor market by using Business Trends and Outlook Survey data already collected to provide analysis of AI adoption, job creation, displacement and wage effects.
6. ***Support Next-Generation Manufacturing***. This section includes comparatively few details, but it calls for new investment in developing and scaling foundational and translational manufacturing technologies and to convene industry and government stakeholders to identify supply chain challenges to American robotics and drone manufacturing. While the Plan is light on detail, the promise of bringing AI into manufacturing to boost productive output remains a high priority initiative for the Trump Administration and will continue to be part of the White House’s agenda.
7. ***Invest in AI-Enabled Science***. Here, the Plan calls for investment in automated cloud-enabled labs for engineering, materials science, chemistry, biology and neuroscience. The Plan also calls for as use of long-term agreements to support “Focused-Research Organizations” (FROs) or other similar entities using AI and other emerging technologies to make fundamental scientific advancements. The Plan further calls for incentivizing researchers to release more high-quality datasets publicly and requires federally funded researchers to disclose non-proprietary, non-sensitive datasets that are used by AI models. This presents a renewed focus and an exciting opportunity for the FRO framework in applied and theoretical research.
8. ***Build World-Class Scientific Datasets***. The Trump Administration posits that other countries (including adversaries) have amassed “troves” of scientific data, and the United States must catch up and lead in developing similar data sets. Several policy actions follow, including having the National Science and Technology Council (NSTC) Machine Learning and AI Subcommittee make recommendations on minimum data quality standards for the use of biological, materials science, chemical, physical and other scientific data in AI model training. The Plan also calls for the creation of an online portal for NSF’s National Secure Data Service (NSDS) demonstration project to provide agencies with a “front door” to AI use cases that involve restricted federal data.
9. ***Advance the Science of AI***. Here the Plan offers one policy recommendation, which is to prioritize investment in theoretical, computational and experimental research to preserve America’s leadership in the advance of AI capabilities. The goal is to ensure the United States remains a pioneer in strategic and targeted scientific research.
10. ***Invest in AI Interoperability, Control and Robustness Breakthroughs***. The Plan calls for better use of AI in national security domains and for prioritization of AI

interoperability, control and robustness as part of a "forthcoming National AI R&D Strategic Plan".

11. ***Build an AI Evaluations Ecosystem***. This part of the Plan targets how the AI industry assesses the performance and reliability of AI systems. A variety of policy recommendations follow, including publishing guidelines and resources through NIST for federal agencies to conduct their own evaluations of AI systems; supporting the science of measuring and evaluating AI models; convening federal agencies twice a year to share learnings and best practices on building AI evaluations; and investment in the development of AI testbeds for piloting AI systems in secure, real-world settings. Each of these individually presents a strategic business opportunity for AI pioneers. Collectively, to the extent realized, the development of a new AI evaluation system will provide useful benchmarking and insights that will help standardize AI services and reduce industry fragmentation.
12. ***Accelerate AI Adoption in Government***. The Trump Administration posits that AI tools can help serve the public with greater efficiency and effectiveness. Several interesting policy recommendations follow, including the formalization of a "Chief Artificial Intelligence Officer Council" as the primary venue for interagency coordination and collaboration on AI adoption. The Plan also calls for an AI procurement toolbox managed by the General Services Administration (GSA) that facilitates uniformity across the federal government and allows agencies to easily choose among multiple models in a manner compliant with relevant privacy, data governance and transparency laws. The Plan further calls for the implementation of an "Advanced Technology Transfer and Capability Sharing Program" with GSA to quickly transfer advanced AI capabilities and use cases between agencies.
13. ***Drive Adoption of AI Within the Department of Defense (DOD)***. The Plan recognizes that AI has the potential to transform both the warfighting and back-office operations of the DOD. Several policy recommendations follow, including the prioritization of DOD-led agreements with cloud service providers, operators of computing infrastructure and other relevant private sector entities to codify priority access to computing resources in the event of a national emergency. It is not clear what "priority access" may mean in an emergency, but our team can help assess impact to service level availability if computing resources are redirected to government use.
14. ***Protect Commercial and Government AI Innovations***. Short in details, this part of the Plan calls for collaboration with leading American AI developers to enable the private sector to actively protect AI innovations from security risks, including malicious cyber actors, insider threats and others.
15. ***Combat Synthetic Media in the Legal System***. Here, the Plan recognizes the risks posed by malicious deepfakes, whether in the form of audio recordings, videos, photos or other AI-generated media. This part of the Plan addresses both the impact of deepfake evidence in connection with the Federal Rules of Evidence and creation of a deepfake evaluation program under NIST.

## Pillar II: Build American AI Infrastructure

Recognizing that AI innovation requires the U.S. to construct greater energy generation than it currently maintains, Pillar II discusses the following methods to accomplish this objective:

1. ***Create Streamlined Permitting for Data Centers, Semiconductor Manufacturing Facilities and Energy Infrastructure while Guaranteeing Security***. The Trump Administration posits that existing regulations and permitting requirements "make it almost impossible" to build the infrastructure required to support AI innovation and, further, such infrastructure must not be built with the use of "adversarial technology." To allow America to build out the required infrastructure, the Plan calls for, among

other things, establishing new “Categorical Exclusions” under the National Environmental Policy Act (NEPA), exploring a Clean Water Act Section 404 permit for data centers, streamlining and reducing regulations promulgated under current environmental laws and making federal lands available for data centers.

2. ***Develop a Grid to Match the Pace of AI Innovation***. The Plan recognizes that the demand of AI is putting increasing pressure on the current U.S. electric grid and that the power grid must be enhanced to support current demand and future growth. To meet this objective, the Plan recommends stabilizing today’s grid to safeguard current assets, optimizing existing resources to increase efficiency and prioritizing the “interconnection of reliable, dispatchable power resources.” The Plan also embraces new energy generation sources, including geothermal, nuclear fission and nuclear fusion. Finally, the Plan calls for developing a “strategic blueprint” to optimize existing grid resources and to grow the grid into the future.
3. ***Restore American Semiconductor Manufacturing***. In concert with Pillar I’s focus on advanced manufacturing enabled by AI, the Plan targets revitalizing America’s chip manufacturing industry by streamlining regulations and reviewing semiconductor grant and research programs. The Plan references CHIPS-funded semiconductor manufacturing projects as a priority and ensures funding is available for research into acceleration of semiconductor manufacturing.
4. ***Build High-Security Data Centers for Military and Intelligence Community Usage***. Acknowledging that certain AI systems and data centers would have access to the U.S. government’s most sensitive data, the Plan calls for such data centers to be resistant to adverse nation-state actor threats. The Plan calls for developing technical standards for high security AI data centers and advancing adoption of classified environments to support secure AI workloads. If you are planning a data center and are looking for strategic guidance regarding how this part of the Plan may affect your investment, our team has deep experience advising clients on data center design, planning and development.
5. ***Train a Skilled Workforce for AI Infrastructure***. This part of the Plan posits that there are shortages in jobs necessary for building, operating and maintaining AI-related infrastructure. To address these shortages, the Plan recommends, among other things, identifying occupations essential to such infrastructure, creating industry-driven training, expanding early career exposure programs for these occupations and updating programs of study to align with AI infrastructure occupations. This supports Pillar I’s focus on AI job skills and retraining efforts and redoubles on the promise to incentivize employer upskilling of existing workers in AI priority jobs to ensure employment stability and talent development.
6. ***Bolster Critical Infrastructure Cybersecurity***. In this section, the Plan focuses on the risks to critical infrastructure from AI-enabled cyber threats and emphasizes the need to ensure that AI use in safety-critical and homeland security applications is resilient and designed to detect malicious activity. The Plan further calls for promoting the sharing of AI-security threat intelligence among critical infrastructure sectors and issuing AI-security threat guidance to the private sector. As cybersecurity incidents proliferate with the help of AI-enabled threat actor capabilities, our team has a dedicated group of cybersecurity professionals and a breach response strike team ready to assist your business in any cyber-related event.
7. ***Promote Secure-By-Design AI Technologies and Applications***. This part of the Plan acknowledges that AI systems relied on by the U.S. government must be protected against malicious attacks and that the U.S. government has a paramount interest in promoting resilient and secure AI development. To ensure protection, the Plan calls for further refining the DOD’s Responsible AI and Generative AI Frameworks, Roadmap and Toolkits and publishing an IC Standard on AI Assurance.
8. ***Promote Mature Federal Capacity for AI Incident Response***. Here, the Plan recognizes that if AI systems fail, impact to critical services or infrastructure could be severe. To minimize such impacts, AI incident response actions should be developed

and incorporated into current incident response documentation and best practices both in government and the private sector.

## Pillar III: Lead in International AI Diplomacy and Security

Focusing on export controls, Pillar III describes key objectives in positioning America as a global leader and partner to its allies in promoting adoption of American-designed AI systems, computing hardware and standards:

1. ***Export American AI to Allies and Partners***. This part of the Plan underscores the Trump Administration's belief that exporting America's AI technology stack to allies will ensure that our allies do not become reliant on technology from "strategic rivals." The Plan goes so far as to create an "AI Alliance" led by the United States for the distribution of hardware, models, software, applications and standards to countries that join the alliance. In support of this initiative, President Trump issued an executive order on the same day the Plan was released, further setting forth the details of the American AI Exports Program. Clients who offer AI-optimized computer hardware, data pipelines and labeling systems, AI models and systems, security measures and AI applications for specific use cases should take particular interest in this program.
2. ***Counter Chinese Influence in International Governance Bodies***. The Plan argues that international bodies have proposed AI governance frameworks that include regulation and codes of conduct that the Trump Administration views as vague or burdensome and that the U.S. should leverage its global position to advocate for AI governance approaches that "promote innovation, reflect American values and counter authoritarian influence."
3. ***Strengthen AI Compute Export Control Enforcement***. This part of the Plan states that denying adversaries access to advanced AI computational resources is essential to America's AI dominance and national security. The Plan recommends exploring new and existing location verification features to ensure technology (e.g. chips) are not imported to "countries of concern" as well as introducing new chip export control enforcement.
4. ***Plug Loopholes in Existing Semiconductor Manufacturing Export Controls***. The Plan further underscores the concern that failure to control the export of component sub-systems is a potential loophole in America's semiconductor manufacturing export controls. The Plan recommends closing these loopholes so that both major systems and their sub-systems' constituent parts are part of the export controls.
5. ***Align Protection Measures Globally***. This part of the Plan aims to ensure that America's allies adopt U.S. export controls on AI computational resources via diplomatic campaigns and, if necessary, recommends utilizing secondary tariffs and the "Foreign Direct Product Rule" to further encourage allies to adopt U.S. export controls. Complementing the AI Alliance discussed above, the Plan calls for the development of a new "technology diplomacy strategic plan" in support of the AI Alliance with the aim to ensure that American allies do not supply adversaries with technologies subject to U.S. export controls.
6. ***Ensure That the U.S. Government Is at the Forefront of Evaluating National Security Risks in Frontier Models***. The Plan acknowledges that AI systems pose novel security risks and vulnerabilities, and as America leads on AI capabilities, it is likely to be able to predict the capabilities that foreign adversaries will soon also possess. This part of the Plan further posits that America must utilize this to its advantage by evaluating frontier AI systems for national security risks, potential security vulnerabilities and foreign influence and focus on AI research within federal agencies.
7. ***Invest in Biosecurity***. Recognizing that AI will simultaneously unlock new potential (as well as harm) in biology, the Plan calls for a multitiered approach to screen for malicious actors. Among other things, this approach includes requiring all institutions

receiving federal funds for scientific research to use tools with “robust nucleic acid sequence” screening. Clients who receive such funding, such as universities and private companies, will want to be aware this may be a requirement in the near future.

## Conclusion

The AI Action Plan presents a sweeping view of AI’s capabilities, risks and opportunities. The Trump Administration has made clear that it views AI as a race to win and, more broadly, a national security interest of critical concern. A more de-regulated AI environment coupled with broad support from the federal government is likely to spur new investment, research and development on a wide range of AI applications and, more expansively, in the technology industry. Polsinelli’s Technology Transactions attorneys are here to help guide you through the rapidly changing environment and to discuss the potential implications and opportunities for your business.