



Client Alert

Administration's Artificial Intelligence Action Plan and Related Executive Orders

The Lab is on hiatus until late September when students return to the Law School. In the interim, we hope this Client Alert will be of interest to our clients and friends.

On July 23, 2025, President Trump announced his administration's AI Action Plan, and signed three AI-focused executive orders at the "Winning the AI Race" summit co-hosted by the All-In Podcast and the Hill & Valley Forum in Washington, DC. "From this day forward, it will be a policy of the United States to do whatever it takes to lead the world in artificial intelligence," Trump announced during the summit's keynote speech. The Action Plan and executive orders, which together emphasize winning the global race in developing AI technology, represent a sharp turn from the prior administration's safety-focused position.

This Client Alert breaks down the Action Plan, the three EOs, and what they mean for U.S. corporations.

Key Takeaways

- Corporations should keep abreast of developments in state AI regulation, liability law, and intellectual property law, areas which the administration sees as potential roadblocks to AI innovation;
- The administration is concerned about "deepfakes"¹ and national security threats from AI; and
- The administration will scrutinize states based on the stringency of their AI policies and scrutinize model developers based on their model's "truth-seeking" orientation and "ideological neutrality."

Analysis

The AI Action Plan serves as a roadmap for policy rather than a binding set of legal requirements, though the executive orders have the force of law. Taken together, they shift U.S. AI strategy towards deregulation and global competition. Corporations should monitor how federal agencies implement the Plan's recommended goals, particularly if federal funding pressure or preemption effectively overrides state AI laws, which could require adjusting compliance strategies.

Corporations also should explore new business opportunities that the innovation-friendly approach creates. The federal government is actively seeking private sector partnerships, from AI infrastructure projects with federal support to export programs that help U.S. companies sell technology internationally.

Even with such vigilance, there are still business risks as federal-state regulatory tensions could lead to prolonged legal battles and compliance uncertainty for companies operating across multiple jurisdictions.

¹ "Deepfakes" refer to images, video, and other synthetic media which uses deep learning to replace someone's face or voice with that of someone else.



Companies also remain exposed to copyright infringement claims for AI training data and generating outputs, while broader liability questions around AI decision-making and hallucinations lack clear legal frameworks, creating potential exposure under existing tort, contract, and intellectual property laws.

While the Action Plan and President Trump’s keynote speech at the “Winning the AI Race” summit indicate that the Administration hopes for more lenient copyright and liability legal frameworks, they have limited ability to affect judicial rulings on those matters. For example, just days before the summit, Judge William Alsup of the Northern District of California [granted](#) class action status to a group of copyright holders whose works were downloaded by an AI company from an online collection of pirated books.

The AI Action Plan Background and Breakdown

Days into his second administration in late January, 2025, President Trump revoked his predecessor’s AI policy framework and issued [Executive Order 14179](#), “Removing Barriers to American Leadership in Artificial Intelligence.” His EO ordered Michael Kratsios, David Sacks, and Marco Rubio (respectively Assistant to the President for Science and Technology, Special Advisor for AI and Crypto, and Assistant to the President for National Security Affairs) to develop an artificial intelligence action plan within 180 days.

The [resulting plan](#) definitively establishes the Trump administration’s fast track approach to AI and centers on three pillars: Innovation, Infrastructure, and International Diplomacy and Security. In contrast, President Biden’s AI policy goals as enumerated in [Executive Order 14110](#), “Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence” focused on mitigating the potential harms of the technology.

➤ Pillar I: Accelerate AI Innovation

The first pillar focuses on efforts to expedite American research and development in AI, both through direct support of the private sector and the removal of barriers which the administration believes will hinder progress.

Notable sections in this pillar include:

- “Remove Red Tape and Onerous Regulation”

This section argues that the federal government’s AI-related funding should not be directed towards states with “burdensome AI regulations.” Notable recommended policy goals in this section include launching a Request for Information from businesses and the public about current federal regulations that hinder AI innovation and adoption and instructing agencies to consider a state’s AI regulatory climate when distributing AI-related discretionary funding. Additionally, this section calls for the 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.”

- “Ensure that Frontier AI Protects Free Speech and American Values”

This section calls for frontier AI models² procured by the federal government to “objectively” reflect “truth rather than social engineering agendas.” Recommendations include revising the National Institute

² “Frontier models” refer to state of the art AI programs which push the boundaries of the technology’s capability.



for Standards and Technology (NIST)’s AI Risk Management Framework to eliminate references to misinformation, Diversity, Equity, and Inclusion, and climate change and updating federal procurement guidelines to only procure AI models that are “objective and free from top-down ideological bias.”

- “Combat Synthetic Media in the Legal System”

This section focuses on mitigating the risks of AI being used to create deepfakes and other false evidence in legal cases. It includes recommendations to consider developing NIST’s Guardians of Forensic Evidence deepfake evaluation program³ into a formal guideline and a companion voluntary forensic benchmark and issue guidance to agencies that engage in adjudications to explore adopting a deepfake standard.

Other recommended reforms in this pillar include encouraging the development of open-source AI, accelerating AI adoption in the federal government, and investing in AI interpretability, control, and robustness.

➤ **Pillar II: Build American AI Infrastructure**

Notable sections in this pillar include:

- “Create Streamlined Permitting for Data Centers, Semiconductor Manufacturing Facilities, and Energy Infrastructure while Guaranteeing Security”

The Administration argues that the current environmental permitting system, among other regulations, “make[s] it almost impossible to build [AI] infrastructure in the United States with the speed that is required.” It recommends the establishment of new Categorical Exclusions under the National Environmental Policy Act (NEPA) for data centers and streamlining or reducing regulations promulgated under the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and other relevant related laws.

- “Train a Skilled Workforce for AI Infrastructure”

This section recommends creating an initiative to identify high-priority occupations essential to the development of AI-related infrastructure and partnering with state and local governments as well as other stakeholders to create training programs and pipelines for those occupations.

Other recommended reforms in this pillar include actions developing the energy grid to handle demand for AI and bolstering cybersecurity for critical infrastructure.

➤ **Pillar III: International Diplomacy and Security**

The third and final pillar of the Action Plan focuses on extending U.S. leadership in AI beyond domestic borders by shaping global norms, securing supply chains, and countering adversarial influence, particularly from China.

³ This Guardians of Forensic Evidence deepfake evaluation program developed by NIST aims to develop a reference baseline deepfake detection system, analyze the results of detection tools, and enhance the reliability of detection tools. For more information, see Haiying Guan, Andrew Zhang, and Jim Horan, “Guardians of Forensic Evidence: Evaluation Analytic Systems Against AI-Generated Deepfakes,” https://mig.nist.gov/MFC/Web/Papers/AFI2_ForensicsNIST_Final.pdf.



Notable sections include:

- “Export American AI to Allies and Partners”

The Trump administration views the United States as being in a technological race to develop AI technology on par in importance with the space race. “Whoever has the largest AI ecosystem will set global AI standards and reap broad economic and military benefits,” Kratsios, Sacks, and Rubio write in the Action Plan’s introduction. This section calls for the development of full-stack AI services that bundle hardware and AI models together to be sold abroad. It also calls for the Economic Diplomacy Action Group, established last year by the Biden administration, to coordinate the mobilization of federal financing tools to support AI export packages.

- “Align Protection Measures Globally”

This section calls for coordination with alliances to adopt similar export controls on “sensitive” technologies. Other notable policy recommendations in this pillar include policies to strengthen AI compute export control enforcements and the United States’s evaluations of national security risks from frontier models.

Executive Orders

Alongside the Action Plan and its three pillars, President Trump signed three executive orders.

- [Executive Order 14318](#): “Accelerating Federal Permitting of Data Center Infrastructure”

This order formalizes some of the permitting reform recommendations of the AI Action Plan. It encourages the development of data center infrastructure by launching an initiative to provide financial support for data center projects, pursuing new categorical exclusions to NEPA, and streamlining permitting review for the Clean Air Act, the Clean Water Act, and other environmental protection acts.

- [Executive Order 14319](#): “Preventing Woke AI in the Federal Government”

This executive order charges federal agencies to only use large language models (LLMs) that adhere to “Unbiased AI Principles.” These principles include “truth-seeking,” which the order defines as “prioritize[ing] historical accuracy, scientific inquiry, and objectivity, and shall acknowledge uncertainty where reliable information is incomplete or contradictory,” as well as “ideologically neutral,” which the order specifies as being models that are “neutral, nonpartisan tools that do not manipulate responses in favor of ideological dogmas such as DEI.” This order will likely face a constitutional challenge as it may be interpreted as jawboning by the administration.

- [Executive Order 14320](#): “Promoting The Export of the American AI Technology Stack”

This executive order formalizes the policy proposed in the “Export American AI to Allies and Partners” section of the Action Plan through the creation of the American AI Exports Program.

Should you require additional information, please let us know.

We value our clients and friends, and stand ready to provide assistance.