

Office of Public Policy

Contacts:

Bridget Neill
EY Americas Vice Chair, Public Policy
Ernst & Young LLP
bridget.neill@ey.com

John Hallmark
Principal, EY US Political and
Legislative Leader
Ernst & Young LLP
john.hallmark@ey.com

Trump administration executive action alert

Winning the Race: America's Al Action Plan and Executive Orders | 23 July 2025

Text of <u>Action Plan</u>, <u>Press Release</u>, <u>EO on Preventing Woke AI in the Federal Government</u> (and <u>fact sheet</u>), <u>EO on Accelerating Federal Permitting of Data Center Infrastructure</u> (and <u>fact sheet</u>), <u>Promoting the Export of the American AI Technology Stack</u> (and <u>fact sheet</u>) and <u>ai.gov</u>

Key highlights

- On 23 July 2025, the Trump administration released <u>Winning the Race: America's Al Action Plan</u>. The Action Plan is structured around three main artificial intelligence (Al) pillars Accelerate Al Innovation, Build American Al Infrastructure and Lead in International Al Diplomacy and Security laying out dozens of actions that federal agencies can take to promote the US as the global leader in Al. Also on 23 July, the president signed three executive orders to implement various goals of the Action Plan.
- The AI Action Plan was developed pursuant to an executive order issued by President Trump the first week of his second term. Removing Barriers to American Leadership in Artificial Intelligence aimed to "enhance America's global AI dominance in order to promote human flourishing, economic competitiveness, and national security" and required the administration to develop an AI Action Plan to promote AI within 180 days.

"An industrial revolution, an information revolution, and a renaissance – all at once. This is the potential that AI presents. The opportunity that stands before us is both inspiring and humbling. And it is ours to seize, or to lose."

Winning the Race: America's Al Action Plan

- Several principles run across each of the three pillars of the Al Action Plan:
 - The administration will ensure that AI deployment protects and promotes American workers and increases the standard of living for all Americans.
 - Al must be objective and free from "ideological bias."
 - The US must protect against technologies "being misused or stolen by malicious actors as well as monitor for emerging and unforeseen risks from AI."
- The Action Plan largely focuses on removing regulatory barriers to the development and deployment of Al systems and the infrastructure (in particular, energy demands) necessary to support them. While the Action Plan calls for a number of investments to promote US research, development and deployment of

Al, no specific amount or source of funding is identified for those efforts. Likewise, no deadlines are specified for any of the initiatives suggested or mandated by the Action Plan. However, as noted below, more specifics are included in the EOs also released on 23 July.

- The Action Plan also outlines the Trump administration's strategy on global AI governance initiatives, including pushing for regulatory frameworks that are less restrictive and limiting the influence of countries considered by the administration to be adversarial.
- The three related EOs further these AI goals across the executive branch of government, focusing on preventing "woke AI" in systems used by the federal government, promoting the export of the American technology stack and accelerating permitting for qualifying data center projects. These EOs include more specific projects, reports and deadlines than the Action Plan, including a solicitation for industry proposals on AI export programs.

Details of the Action Plan

Pillar I: Accelerate Al Innovation

Here the Action Plan focuses on ways in which the federal government can "create the conditions where private-sector-led innovation can flourish."

- Remove Red Tape and Onerous Regulation
 - Directs several initiatives to identify regulations that hinder AI innovation and adoption through the Office of Science and Technology Policy (OSTP), Office of Management and Budget (OMB), Federal Communications Commission (FCC) and Federal Trade Commission (FTC).
 - The plan itself does not identify specific regulations for review or repeal.
 - Observes that federal agencies should consider states' Al regulatory climates when allocating discretionary funding, "and limit funding if the state's Al regulatory regimes may hinder the effectiveness of that funding or award."
- Ensure that Frontier AI Protects Free Speech and American Values
 - Directs the National Institute of Standards and Technology (NIST) to remove references to misinformation, diversity, equity, inclusion and climate change from NIST's AI Risk Management Framework to ensure that "free speech flourishes in the era of AI."
 - Directs NIST to "conduct research and, as appropriate, publish evaluations of frontier models from the People's Republic of China for alignment with Chinese Communist Party talking points and censorship."
 - Calls for updates to federal procurement guidelines to ensure that the government only deploys large language model (LLM) systems that are "objective and free from top-down ideological bias."
- Encourage Open-Source and Open-Weight AI
 - Observes the value of open-source and open-weight AI models and recommends policies to create
 a supportive environment for those models through collaboration with industry, NIST, OSTP and
 the National Science Foundation's (NSF) National AI Research Resource (NAIRR) pilot.
 - Directs OSTP to issue a new National Al Research and Development (R&D) Strategic Plan.
 - Directs the National Telecommunications and Information Administration (NTIA) to promote open-source and open-weight AI models to small and medium-sized businesses.
- Enable Al Adoption
 - Seeks to establish "regulatory sandboxes or AI Centers of Excellence around the country where researchers, startups, and established enterprises can rapidly deploy and test AI tools while committing to open sharing of data and results" via agencies including the Securities and Exchange Commission (SEC) and Food and Drug Administration (FDA).

- Launches industry-specific initiatives (e.g., health care and agriculture) and workstreams in the defense/intelligence communities.
- Empower American Workers in the Age of Al
 - Designates the Department of Labor (DoL) and Bureau of Labor Statistics (BLS) to lead efforts to "expand AI literacy and skills development, continuously evaluate AI's impact on the labor market, and pilot new innovations to rapidly retrain and help workers thrive in an AI-driven economy."
 - Where workers are displaced by AI, DoL will leverage discretionary funds to retrain those impacted and potentially create new programs under the Workforce Innovation and Opportunity Act and the Public Works and Economic Development Act.
 - Directs Treasury to issue guidance clarifying that AI training "may qualify as eligible educational assistance under Section 132 of the Internal Revenue Code."
- Support Next-Generation Manufacturing
 - Calls for the federal government to invest in next-generation manufacturing technologies through the Department of Defense (DoD), Department of Commerce (DoC), Department of Energy (DoE), NSF and other federal agencies.
 - DoC and NIST will convene industry stakeholders to specifically identify challenges in US robotics and drone manufacturing.
- Invest in AI-Enabled Science
 - Calls for investment in automated cloud-enabled labs, support of Focused Research Organizations and incentivizing researchers to release high-quality datasets.
 - Requires federally funded researchers to disclose non-proprietary, non-sensitive datasets used in their work.
- Build World-Class Scientific Datasets
 - Directs various agencies to create minimum data quality standards and promote access to federal datasets to ensure that the US leads the creation of the "largest and highest quality Al-ready scientific datasets."
 - Directs the National Science and Technology Council (NSTC) to explore "the creation of a wholegenome sequencing program for life on Federal lands" to serve as a resource for training future biological training models.
- Build an Al Evaluations Ecosystem
 - Tasks NIST with developing guidelines for federal agencies to evaluate their own AI systems.
 - The NIST AI Consortium will also "empower the collaborative establishment of new measurement science that will enable the identification of proven, scalable, and interoperable techniques and metrics to promote the development of AI."
- Accelerate Al Adoption in Government and the Department of Defense
 - Designates the Chief Artificial Intelligence Officer Council (CAIOC) to serve as the "primary venue for interagency coordination and collaboration on Al adoption" with efforts also launched to make the procurement and sharing of Al tools and talent across the federal government more seamless.
 - Calls on DoD to swiftly adopt AI technologies through investments in AI workforce training and the establishment of an AI & Autonomous Systems Virtual Proving Ground, among other initiatives.
- Other elements of the Action Plan seek to advance the science of next generation AI; advance AI
 interpretability, AI control systems and adversarial robustness; protect government commercial and
 government AI innovations; and combat the use of synthetic media (such as deepfakes) in the legal
 system.

Pillar II: Build American Al Infrastructure

Continuing the administration's focus on the national security impact of the energy sector, the Action Plan seeks to change the "troubling trend" of stagnation in US energy capacity – particularly in comparison to China.

- Create Streamlined Permitting for Data Centers, Semiconductor Manufacturing Facilities, and Energy Infrastructure while Guaranteeing Security
 - Calls for special processes and exclusions from regulations under the National Environmental Policy Act (NEPA), Fixing America's Surface Transportation Act of 2015, Clean Air Act, Clean Water Act and the Comprehensive Environmental Response, Compensation, and Liability Act for data-center development and related activities.
 - Agencies are further directed to identify federal lands available for data center and power generation construction.
- Develop a Grid to Match the Pace of Al Innovation
 - Calls for efforts to expand the capacity of the US electrical grid while making it safer and more reliable to meet the increasing needs of technology, including the creation of a "strategic blueprint for navigating the complex energy landscape of the 21st century."
 - Expressly endorses new power generation technologies, including enhanced geothermal, nuclear fission and nuclear fusion.
- Restore American Semiconductor Manufacturing
 - Commits to "streamline regulations that slow semiconductor manufacturing efforts" while reviewing federal grant and research programs to ensure that they deploy appropriate AI technology in chip manufacturing.
- Bolster Critical Infrastructure Cybersecurity
 - Calls for the creation of an Al Information Sharing and Analysis Center (AI-ISAC) led by the Department of Homeland Security (DHS) to "to promote the sharing of AI-security threat information and intelligence across US critical infrastructure sectors."
 - DHS is also directed to maintain guidance to private sector entities on AI threats.
- Other elements of the Action Plan seek to build high-security data centers for the defense/intelligence communities; expand training programs in occupations essential to the build-out of AI infrastructure; promote secure-by-design AI technologies and applications through DoD, NIST and other agencies; and develop AI Incident Response actions into relevant frameworks, including the Cybersecurity and Infrastructure Security Agency's (CISA) Cybersecurity Incident & Vulnerability Response Playbooks.

Pillar III: Lead in International Al Diplomacy and Security

The final pillar of the Action Plan highlights the importance of promoting the global adoption of American Al systems, computing hardware and standards. It also outlines actions designed to deter adversaries from accessing US technologies, influencing global governance and engaging in the malicious use of these technologies.

- Export American AI to Allies and Partners
 - Recommends a DoC-led program to collect and select industry proposals for "full-stack AI export packages." Commerce along with other US agencies would then facilitate secure, standardscompliant international deals.

- Counter Chinese Influence in International Governance Bodies
 - Recommends a proactive US stance in promoting global governance strategies that foster innovation, uphold American values and counteract "authoritarian influence."
 - Critiques current international and multilateral governance initiatives, highlighting concerns about their "burdensome" regulatory frameworks and the perceived influence of China.
- Strengthen AI Compute Export Control Enforcement
 - Calls for creative approaches to enhancing export control enforcement, such as leveraging new
 and existing location verification features on advanced AI computers to ensure that the chips are
 not in countries of concern.
 - Recommends a new collaborative monitoring effort between Commerce and the US Intelligence Community on global chip export control enforcement.
- Plug Loopholes in Existing Semiconductor Manufacturing Export Controls
 - Calls for expanding current semiconductor export controls to include component sub-systems.
- Align Protection Measures Globally
 - Calls for the US to "ensure" that US allies adopt US export controls, including using the Foreign
 Direct Product Rule, secondary tariffs and other available tools to ensure international alignment
 of export restrictions.
- Ensure that the US Government is at the Forefront of Evaluating National Security Risks in Frontier Models
 - Calls on NIST's Center for AI Standards and Innovation (CAISI), in collaboration with relevant government agencies, to allocate more resources and enhance efforts to better understand these risks, particularly the potential for malicious use by US adversaries.
- Invest in Biosecurity
 - Calls for a multi-tiered approach to leveraging AI technologies for beneficial uses such as curing new diseases and novel industrial uses while safeguarding against malicious uses. Recommended actions include:
 - Requiring all institutions receiving federal funding for scientific research to use nucleic acid synthesis tools and synthesis providers that have robust nucleic acid sequence screening and customer verification procedures.
 - Convening government and industry actors to develop a mechanism to facilitate data sharing between nucleic acid synthesis providers to screen for potentially fraudulent or malicious customers.
 - Building, maintaining and updating national security-related AI evaluations conducted by both US government agencies and research institutions.

Executive orders

Also on 23 July, the president signed three EOs to implement various goals of the Action Plan.

Preventing Woke AI in the Federal Government

This EO establishes that it is the policy of the US to procure only those LLMs that are truth-seeking and ideologically neutral.

- Within 120 days, OMB is directed to issue guidelines to implement this procurement mandate.
- Thereafter, federal agency heads procuring LLMs must include in those contracts terms ensuring compliance with "Unbiased AI Principles" and to the extent practicable revise any existing AI procurement contracts.

Accelerating Federal Permitting of Data Center Infrastructure

Furthering the administration's priority of speeding the build-out of the infrastructure necessary for AI deployment, this EO:

- Requires the DoC and OSTP to launch a program to provide financial support, potentially including loans and loan guarantees, grants, tax incentives and offtake agreements, for certain qualified data center projects.
- Directs the Council on Environmental Quality to establish new categorical exclusions to cover actions related to such projects "that normally do not have a significant effect on the human environment."
 These projects may also be designated as covered projects under Fixing America's Surface Transportation Act (FAST-41).
- Calls on the Administrator of the EPA to develop and/or modify regulations under the Clean Air Act, Clean Water Act, CERCLA and the Toxic Substances Control Act that may impact the development of qualifying projects. The EPA will also identify Brownfield and Superfund sites that may be utilized for qualifying projects.
- Requires the Secretaries of Energy, Interior and the Army to utilize various authorities to ensure timely and efficient completion of qualifying projects.
- Promotes the identification of federal lands and Defense Department sites that may be utilized for qualifying projects.

Promoting the Export of the American Al Technology Stack

This EO calls on the US to "not only lead in developing general-purpose and frontier AI capabilities, but also ensure that American AI technologies, standards, and governance models are adopted worldwide to strengthen relationships with our allies and secure our continued technological dominance."

- Within 90 days, calls on the DoC to establish and implement an American AI Exports Program (the Program) by calling for proposals from industry-led consortia.
 - The Program will promote the development and deployment of "full-stack AI export packages" including computer hardware, data storage, cloud services, data pipelines, AI models and systems, and cybersecurity measures.
 - The Program proposals must also include business and operational models, needed federal incentives and the identification of target countries or regional blocs for export engagement, and it must comply with all relevant US export control regimes, outbound investment regulations and end-user policies.
 - After evaluation by administration officials, the selected proposals "will be designated as priority Al export packages" and supported through priority access to federal financing tools.
- The Economic Diplomacy Action Group (EDAG), established in the Presidential Memorandum of 21 June 2024, is tasked with coordinating mobilization of those federal financing tools, including direct loans and loan guarantees, equity investments, co-financing, political risk insurance, credit guarantees, technical assistance and feasibility studies.
- Additionally, the EO directs the Secretary of State to design a coordinated strategy, in consultation with other agencies, for the export of American AI technologies and standards; these efforts include multilateral initiatives and country-specific partnerships.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, Al and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2025 Ernst & Young LLP. All Rights Reserved.

Score no. 27724-251US

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.