White House Releases Sweeping AI Action Plan

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Firm Alert

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On July 23, 2025, the White House released "Winning the Race: America's AI Action Plan",[1] a sweeping federal initiative setting forth the administration's strategy to secure U.S. global leadership in artificial intelligence. Issued pursuant to Executive Order 14179, "**Removing Barriers to American Leadership in Artificial Intelligence**", [2] the Action Plan outlines more than 90 federal policy actions across three strategic pillars: accelerating innovation, building American AI infrastructure, and leading in international diplomacy and security. The administration describes the effort as a path to "a new golden age of human flourishing, economic competitiveness, and national security," goals that the Action Plan aims to realize through regulatory reform, infrastructure expansion and investment, and significant geopolitical engagement.

Guiding Principles

Three central principles[3] shape the Action Plan's policy directives across all strategic pillars:

1. The American worker must benefit from the AI revolution. The expansion of AI infrastructure encouraged by the Action Plan aims to generate high-paying jobs, and AI-driven advancements in sectors like medicine and manufacturing are expected to raise the overall standard of living. Rather than displacing workers, AI is intended to enhance and support their roles.
2. Neutrality and objectivity must be foundational components of AI technologies. AI systems must be "free from ideological bias" and be "designed to pursue objective truth rather than social engineering agendas".
3. National security depends on protecting AI systems. In a rapidly technologically advancing world, security initiatives must focus on preventing theft and misuse of U.S. AI technologies, as well as risk management and monitoring for emerging threats.

Key Policy Initiatives

Among the numerous directives and recommendations in the Action Plan, the administration identified four key policy initiatives:

1. **Exporting American AI**: To bolster U.S. influence and strengthen strategic alliances, the Departments of Commerce and State, in partnership with industry, will deliver "secure, full-stack AI export packages – including hardware, models, software, applications, and standards – to America's friends and allies around the world." In doing so, the U.S. can set global AI standards and simultaneously prevent countries in "America's AI alliance" from becoming dependent on AI technologies developed by its foreign adversaries.
2. **Promoting Rapid Buildout of Data Centers**: To meet rising AI demand, the Action Plan proposes reducing regulatory burdens on infrastructure buildout to streamline permitting for data centers and semiconductor manufacturing facilities. This initiative is supplemented by directives to upgrade the U.S. electric grid and revitalize American semiconductor manufacturing, all of which is to be made possible by investments in the American workforce.
3. **Enabling Innovation and Adoption**: The Action Plan emphasizes the need for deregulation at the federal level to encourage acceleration of AI development and deployment and signals future collaboration with private industry partners in determining which rules should make the cut. It further seeks to discourage state and local regulatory barriers, proposing that "the Federal government should not allow AI-related Federal funding to be directed toward states with burdensome AI regulations that waste these funds."

4. **Upholding Free Speech in Frontier Models**: The Action Plan directs federal agencies to update procurement guidelines to contract for AI systems and services with developers "who ensure that their systems are objective and fee from top-down ideological bias."

Strategic Takeaways

The Action Plan highlights the administration's intent to make artificial intelligence a central pillar of national policy. For businesses, the framework provides new opportunities, incentives, and challenges, including:

- Export Control Compliance: Companies participating in "full-stack" AI export programs will need to closely navigate ITAR, EAR, and other export frameworks for compliance.
- Federal Procurement Standards: AI developers should anticipate additional requirements and certifications for objectivity, transparency, and model governance to qualify for government contracts.
- Infrastructure Incentives and Approvals: The expedited permitting process for data centers and semiconductor facilities may provide new opportunities for developers and investors in critical infrastructure.
- Regulatory Rollback Participation: Stakeholders, particularly private industry participants, will be able to provide feedback on which regulations obstruct innovation, offering a potential avenue to shape the future legal landscape of AI.

The Action Plan introduces significant regulatory, contractual, and operational changes across the AI value chain. Companies should evaluate their existing and planned AI-related activities in light of these developments, especially those touching federal contracting, export markets, and data infrastructure. They should also keep a close eye on state and local AI regulations in the wake of the Action Plan. Although the Action Plan stops short of imposing the moratorium on state and local AI regulation that was stripped from the final version of President Trump's budget reconciliation bill (H.R.1.), dubbed the One Big Beautiful Bill Act, one policy recommendation encourages the Federal Communications Commission to "evaluate whether state AI regulations interfere with the agency's ability to carry out its obligations and authorities under the Communications Act of 1934."

As federal agencies enact the recommended policy actions, the administration has signaled that it is heavily focused on achieving U.S. global AI dominance. "Winning the AI Race is non-negotiable. America must continue to be the dominant force in artificial intelligence to promote prosperity and protect our economic and national security… These clear-cut policy goals set expectations for the Federal Government to ensure America sets the technological gold standard worldwide, and that the world continues to run on American technology," said Secretary of State and Acting National Security Advisor Marco Rubio.

President Trump also highlighted his administration's AI strategy during his first major speech on AI at a White House AI summit on Wednesday afternoon and signed three AI-related executive orders which correlate with various Action Plan directives.

Babst Calland attorneys are tracking the most pressing issues related to data center development – including AI usage and privacy policies, related risks and regulatory requirements, as well as data center development financing, project siting, land use, zoning and regulatory compliance – and addressing pathways forward for successful projects. For questions or more information, please contact Susanna Bagdasarova at sbagdasarova@babstcalland.com or 412.394.5434 or Justine M. Kasznica at jkasznica@babstcalland.com or 412.394.6466.

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[1] Full text available at **Winning the Race: America's AI Action Plan**.

[2] Full text available at **Removing Barriers to American Leadership in Artificial Intelligence**.

[3] See **White House Unveils America's AI Action Plan**.

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