

## **Laws/Regulations directly regulating AI (the “AI Regulations”)**

Currently, there is no comprehensive federal legislation or regulations in the US that regulate the development of AI or specifically prohibit or restrict their use. President Trump has signaled a permissive approach to AI regulation, issuing an Executive Order for Removing Barriers to American Leadership in AI (“Removing Barriers EO”) in January 2025, that rescinds President Biden’s Executive Order for the Safe, Secure, and Trustworthy Development and Use of AI (“Biden EO”).<sup>1</sup> The Removing Barriers EO calls for federal departments and agencies to revise or rescind all policies, directives, regulations, and other actions taken by the Biden administration that are “inconsistent” with “enhanc[ing] America’s global AI dominance.” Many policies were already in place from the Biden EO and it remains to be seen what the extent of the changes will be.

In July 2025, the Trump administration published the America’s AI Action Plan<sup>2</sup> (“the Plan”), which identifies more than 90 federal policy actions, with an aim to secure US AI leadership in artificial intelligence and place innovation at the core of US AI policy. This approach contrasts with the more risk-focused approaches adopted by the European Union and certain state-level initiatives such as the Colorado AI Act. While the Plan prescribes various proposed incentives to businesses, the practical impact in states with existing or emerging AI regulatory frameworks remains uncertain.

The US Congress has been considering numerous AI bills covering a wide range of issues. It is unclear if the Republican-held Congress will use this as an opportunity to enact AI legislation or focus on other priorities. That said, many of the proposed bills emphasize the development of voluntary guidelines and best practices for AI systems, reflecting a cautious approach to regulation aimed at fostering innovation without imposing strict mandates. This approach is influenced by concerns over stifling technological progress and maintaining competitiveness, particularly against countries like China (which produces approximately four STEM graduates for every STEM graduate in the US).

Existing US federal laws have limited application to AI. A non-exhaustive list of key examples includes:

- Federal Aviation Administration Reauthorization Act, which includes language requiring review of AI in aviation.<sup>3</sup>
- National Defense Authorization Act for Fiscal Year 2019, which directed the Department of Defense to undertake various AI-related activities, including appointing a coordinator to oversee AI activities.<sup>4</sup>
- National AI Initiative Act of 2020, which focused on expanding AI research and development and created the National Artificial Intelligence Initiative Office that is responsible for “overseeing and implementing the US national AI strategy.”<sup>5</sup>
- Nevertheless, various frameworks and guidelines exist to guide the regulation of AI, including:

The AI Action Plan has a deregulation and pro-innovation agenda. It recommends that the Office of Management and Budget work with federal agencies to assess states’ AI regulatory environments when making federal funding decisions, ensuring resources are not provided to states with restrictive legal frameworks. However, it is unclear how much impact this

recommendation will have or what it will look like in practice. The AI Action Plan also emphasizes the Trump administration's key objective of enhancing the United States' AI infrastructure for geopolitical leadership while protecting against foreign adversary threats. Central to this strategy is the goal of exporting the full AI technology stack, including hardware, models, software and applications to countries willing to join a proposed "AI Alliance." While this would create opportunities for US businesses to expand into new markets, businesses may also need to reevaluate their supply chains, partnership structures and compliance programs to avoid inadvertently granting adversaries or entities of concern access to controlled AI technologies. Another notable aspect of the AI Action Plan (also set forth in the Executive Order "Preventing Woke AI in the Federal Government")<sup>6</sup> is the update to the federal procurement guidelines to ensure that only "unbiased" large language models (i.e., considered free from "ideological dogmas such as DEI" and other "partisan or ideological judgments") be eligible for government use. Therefore, AI companies engaging in government contracting, or whose products may otherwise be evaluated under the forthcoming guidelines on ideological neutrality, should closely monitor developments in this area.

The White House Blueprint for an AI Bill of Rights, issued under Biden, asserts guidance around equitable access and use of AI systems.<sup>7</sup> The AI Bill of Rights provides five principles and associated practices to help guide the design, use and deployment of "automated systems" including safe and effective systems; algorithmic discrimination and protection; data privacy; notice and explanation; and human alternatives, consideration and fallbacks. While the Removing Barriers EO did not specifically revoke the AI Bill of Rights, the Trump Administration may be less likely to pursue the development of principles set out in the AI Bill of Rights, to the extent these principles are perceived as "inconsistent" with "enhanc[ing] America's global AI dominance." Nevertheless, AI developers may keep these principles in mind when designing AI systems.

Several leading AI companies – including Adobe, Amazon, Anthropic, Cohere, Google, IBM, Inflection, Meta, Microsoft, Nvidia, Open AI, Palantir, Salesforce, Scale AI, Stability AI – have voluntarily committed to "help move toward safe, secure, and transparent development of AI technology."<sup>8</sup> These companies committed to internal/external security testing of AI systems before release, sharing information on managing AI risks and investing in safeguards.

The Federal Communications Commission issued a declaratory ruling stating that the restrictions on the use of "artificial or pre-recorded voice" messages in the 1990s era Telephone Consumer Protection Act include AI technologies that generate human voices, demonstrating that regulatory agencies will apply existing law to AI.<sup>9</sup>

The Federal Trade Commission (FTC), under the Biden administration, had signaled an aggressive approach to use its existing authority to regulate AI.)<sup>10</sup> The FTC issued a warning to market participants that it may violate the FTC Act to use AI tools that have discriminatory impacts, make claims about AI that are not substantiated, or to deploy AI before taking steps to assess and mitigate risks.<sup>11</sup> The FTC has already taken enforcement action against various companies that have deceived or otherwise harmed consumers through AI.<sup>12</sup> As discussed below, the FTC has notably banned Rite Aid from using AI facial recognition technology without reasonable safeguards.<sup>13</sup> That said, the AI Action Plan directs the FTC to review, and, where appropriate, seek to modify or set aside investigations, orders, consent decrees and injunctions from prior administration that may unduly burden AI innovation. Therefore, it remains to be seen how aggressive the FTC will be on AI under the Trump administration.

## Sources & References

- White & Case Global Regulatory Tracker