

AI Policy Newsletter

February 28, 2025

At a Glance

- [Reports](#) this week indicate that Department of Government Efficiency (DOGE) cuts could target up to 500 staffers at the National Institute of Standards and Technology (NIST), including the U.S. Artificial Intelligence Safety Institute (AIS) and staff working to implement the CHIPS and Science Act. The reports have gotten a mixed reaction from Republicans on the Hill, where Todd Young (R-IN), a leader of Chuck Schumer's bipartisan working group on AI, underscored the importance of NIST without directly criticizing the potential cuts. Senate Commerce Committee Chair Ted Cruz (R-TX), on the other hand, said he was not worried and expects that all government agencies will see cuts. While the future of the AIS has remained uncertain since the beginning of Trump's term, this latest move would constitute a "gutting" of the Institute, if it occurred, according to [Axios](#).
- On February 25, the Senate Commerce Committee held a [hearing](#) to consider the nominations of Michael Kratsios to be Director of the Office of Science and Technology Policy and Mark Meador to serve as FTC Commissioner. During the hearing, Kratsios testified that "the shape of future global order will be defined by whomever leads across AI, quantum, nuclear, and other critical and emerging technologies," stressing the urgency of ensuring the U.S. does not cede leadership in these realms to China. Kratsios' comments echo the Trump administration's early focus on loosening regulations to spur innovation and combatting threats from China. A summary of the hearing can be found [here](#).
- On February 21, President Trump [issued](#) an Executive Order on an "America First Investment Policy," establishing a federal policy of preserving an "open environment to help ensure that artificial intelligence and other emerging technologies of the future are built, created, and grown right here in the United States." The order also includes a provision about restricting foreign adversaries' access to U.S. talent and operations in the AI realm.

What Else You Need to Know

Administration Updates

- The Department of Government Efficiency (DOGE) has created an automated X account, [@dogeai_gov](#), that regularly posts about government inefficiencies, financial reforms, and legislative impacts, including cuts to foreign aid, tax policies, and military justice reforms. The account frequently [responds](#) to X posts from Members of Congress on a variety of topics and has garnered criticism from Democrats.
- Bloomberg [reported](#) on February 25, that Trump officials had met with Japanese and Dutch government officials to discuss increasing restrictions on Chinese chips. According to the reports, Trump is also working to increase restrictions on U.S. technology that is reaching China, in an effort to ensure the U.S. dominates the race for technological development.

- On February 20, Kash Patel was confirmed by the Senate to serve as director of the FBI. In [response](#) to questions submitted for the record by Members on the Senate Judiciary Committee, Patel stated that he is concerned with the growing rise of AI-generated deepfake images, especially those targeting women and girls. Patel agreed to working with Congressional Members but refused to support any particular legislation.

Hill Happenings

- On February 27, Senators Jacky Rosen (D-NV), Jon Husted (R-OH), and Pete Ricketts (R-NE) introduced bipartisan legislation to prohibit the use of DeepSeek on all government devices and networks. The [No DeepSeek on Government Devices Act](#) would empower OMB Director Russ Vought to remove the application from government information systems.
- On February 26, Representatives Young Kim (R-CA) and Joyce Beatty (D-OH) and Senators Mike Rounds (R-SD) and Catherine Cortez Masto (D-NM) [introduced](#) the Strengthening Exports Against China Act (SEACA). The legislation aims to promote U.S. competitiveness and counter CCP export subsidies by eliminating barriers for American businesses competing directly with China in emerging industries like artificial intelligence and semiconductors.
- On February 20, Senator Tom Cotton (R-AR) sent a [letter](#) to Office of Management and Budget (OMB) Director Russell Vought calling for U.S. government agencies, departments, and employees to be prohibited from using DeepSeek and other AI tools developed in China.
- On February 19, Senators Ed Markey (D-MA), Jeff Merkley (D-OR), and Peter Welch (D-VT) [wrote](#) to Google CEO Sundar Pichai regarding concerns about the company's recent decision to reverse safety and ethical commitments from its "AI Principles," specifically the limitations on developing AI products for weapons and surveillance technologies.
- The House Energy and Commerce Committee's data privacy working group [issued](#) a Request for Information, which includes a section on how state-level AI laws should be reconciled with a federal comprehensive data privacy and security law, specifically inquiring about requirements related to automated decision-making.

Third-Party, NGO and State Perspectives

- On February 25, the Future of Privacy Forum (FPF), whose members include Amazon, Google, Meta and OpenAI, [announced](#) that it would no longer work with the Multistate AI Policymaker Working Group (MAP-WG), which has been accused in recent weeks of working to advance "[woke AI bills](#)." Future Privacy Forum had served as a "neutral facilitator" of the MAP-WG, which was comprised of a bipartisan group of over 200 state lawmakers from more than 45 states focused on AI technology and policy.
- On February 24, Apple [committed](#) \$500 billion to its U.S. domestic manufacturing capabilities, including a new AI server manufacturing facility in Houston. This move has been [praised](#) by President Trump and [numerous](#) Republican Members of Congress as a testament to the President's America First agenda.

- On February 20, California Assembly Member Rebecca Bauer-Khan introduced [AB1018](#), which seeks to address the development and deployment of automated decision systems involved in making “consequential decisions” such as in employment, education and vocational training, housing, family planning, healthcare, and elections.
- On February 19, the Virginia State Assembly [passed](#) legislation that would establish comprehensive anti-discrimination rules around the use of AI tools, including requiring that businesses address potential bias in areas such as healthcare and employment. The bill now heads to Governor Youngkin (R). If signed, it would make Virginia the second state to pass comprehensive AI legislation, behind Colorado, though the bill’s sponsor has argued that her bill sets a “more industry-friendly precedent” than Colorado’s law.
- On February 19, Elon Musk’s xAI [released](#) a new AI model, Grok 3, which Musk claims outperforms ChatGPT’s 4o, DeepSeek’s V3, Google’s Gemini, and Anthropic’s Claude 3.5. With the release, [xAI](#) stressed the ability of Grok 3 to think and reason through solutions for multiple minutes, correct errors, and come up with alternatives.
 - White House Press Secretary Karoline Leavitt [refuted](#) reports that Musk was utilizing sensitive data collected through DOGE authorities to train Grok 3, calling the allegations “unequivocally false.” Democrats in Congress have [raised concerns](#) about the security vulnerabilities from DOGE’s activities.
- On February 14, Anthropic [asked](#) a Federal Judge to block a proposal that would prevent Google from investing in AI startups as a way to deal with Google’s search market monopolization. Anthropic claims that disallowing investments from Google would be damaging to competition within the market.

International Updates

- LG Electronics and the South Korean Government [announced](#) a plan for a new AI data center, to be completed by 2028, that is expected to draw revenue of \$3.5 billion in its first year and up to a total of \$35 billion, which would make it the largest data center in the World.

A Few Interesting Reads

- **Arizona moves to ban AI use in reviewing medical claims** ([NBC News](#)): Last week, Arizona lawmakers passed a bill that would ban AI from being used to deny a medical claim. The legislation will now need to be approved by the Arizona state Senate and signed by Gov. Katie Hobbs.
- **Google develops AI co-scientist to aid researchers** ([Reuters](#)): Google has developed an AI tool to act as a “virtual scientific collaborator.” According to Google, the tool will help scientists generate hypotheses, research proposals, and accelerate scientific and biomedical discoveries.
- **DeepSeek Promises to Share Even More AI Code in a Rare Step** ([Bloomberg](#)): This week, DeepSeek will release its code repositories available to all developers and researchers, allowing anyone to download and build on or improve the code. The move exemplifies DeepSeek’s efforts to an open-source approach to AI development.

- **Trump shares AI video envisioning Gaza development with gold statue of president** ([The Hill](#)): On Tuesday, President Trump shared an AI-generated video on Truth Social, showcasing his vision for the potential development of the Gaza Strip. The video included a golden statue of his likeness and beachfront skyscrapers rising from the rubble. The video has drawn significant criticism but also demonstrates the way that the Trump administration continues to utilize AI-generated content as a communications tool.