

AI Policy Newsletter

July 25, 2025

At a Glance

- On July 23, the White House released its anticipated [AI Action Plan](#), which lays out the Administration's AI priorities, as well as three executive orders intended primarily to accelerate AI development, deployment and adoption. The plan is centered around three strategic pillars – (1) Innovation, (2) Infrastructure, and (3) International Diplomacy and Security.

The release of the plan and the executive orders begin to form a clearer picture of how the current administration is viewing key AI debates:

- **Globalism vs. Restrictiveness:** In the lead up to the plan, there was much internal debate over the plan's priorities, particularly as it relates to the third pillar and whether the U.S. should prioritize exporting its technology to ensure U.S. remains the global standard or restrict U.S. technology exports because of national security concerns. The accelerationist wing of the administration, which supports exporting U.S. technology abroad, prevailed.
- **Copyright:** Although copyright protections were not mentioned in the AI plan, President Trump did address the topic during his remarks at a summit on AI. The president sided with the tech industry over copyright holders, rejecting proposals that require AI companies to compensate copyright holders for training data, declaring such requirements "not doable" and impractical for maintaining U.S. competitiveness. He emphasized that China does not impose such restrictions on its AI development, warning that copyright licensing requirements would handicap American innovation in the global AI race and that stringent copyright enforcement was unrealistic. The President's remarks were the most explicit warning to content creators that this administration favors a federal approach that supports fair use applications in AI training, inevitably intensifying disputes with the creative community and with publishers seeking compensation for their intellectual property.
- **State AI Regulations:** The plan seeks to tie federal AI-related funding for states to their AI regulatory environment, with the notion that states with "burdensome AI regulations" could lose out on some federal funding and instructing the FCC to evaluate state AI regulations. With Congress rejecting a moratorium on state AI regulation, this is the Administration's attempt to continue pressuring states to have a light-touch on AI regulations.
- **"Woke" AI:** One of the [executive orders](#) issued by President Trump along with the AI Action Plan would require federal agencies to only procure AI models that are "truth-seeking" and ideologically neutral. The executive order is the latest example of the Trump administration using its power to end or influence DEI and other "woke" policies from private organizations and could have a significant impact on how companies seeking to do business with the federal government police their AI models and on how government agencies themselves use the technology.

What Else You Need to Know

Administration and Federal Updates

- On July 14, the Department of Defense's Chief Digital and Artificial Intelligence Office [announced](#) contract awards to Anthropic, Google, OpenAI, and xAI – each with a ceiling of \$200

million – to accelerate the adoption of frontier AI capabilities across national security mission areas.

- xAI's selection has drawn [criticism](#) from technology experts and lawmakers, including [Senate Minority Leader Chuck Schumer](#) and [ten House Democrats](#) over concerns about the reliability and safety of Grok and reports that it has generated antisemitic, violent, and extremist content.
- The White House [reversed](#) its restriction on Nvidia's H20 chip sales to China, with AI czar David Sacks explaining that the policy shift aims to prevent Chinese tech giant Huawei from dominating the domestic AI chip market. While Sacks characterized the decision as a strategic move to limit Huawei's global expansion, others including [Chairman of the House Select Committee on the Chinese Communist Party John Moolenaar \(R-MI\)](#) and [Senator Elizabeth Warren \(D-MA\)](#) have criticized the decision.

Hill Happenings

- On July 22, Senators John Cornyn (R-TX) and Andy Kim (D-NJ) [introduced](#) the bipartisan PROACTIV AI Data Act, legislation that would direct the National Institute of Standards and Technology (NIST) to develop voluntary best practices for AI developers to screen and remove known CSAM from training datasets, support further research into CSAM detection methods, and provide a limited liability shield for companies that proactively follow the guidelines.
- On July 22, a coalition of fifteen Democratic Senators including Brian Schatz (D-HI) and Chuck Schumer (D-NY) [wrote](#) to the Director of DOGE, Amy Gleason, and the CIO and Director of technology transformation services at the General Service Administration (GSA) regarding the development of AI.gov. The Senators' emphasized the importance of transparency, evaluations, and standards for the program's development and release, and requested further information about issues including intended use cases, performance monitoring, regression testing, protections against bias, evaluation criteria for potential contractors, and workforce training.
- On July 21, Senators Gallego (D-AZ), Blumenthal (D-IL), and Warner (D-VA) [sent a letter](#) to Delta Air Lines executives expressing concern that its new AI pricing model could lead to privacy risks and higher fares for travelers. Other airlines such as American have criticized this approach as well.
- On July 21, Senators Josh Hawley (R-MO) and Richard Blumenthal (D-CT) introduced the [AI Accountability and Personal Data Protection Act](#). The bill would prevent AI companies from using copyrighted materials for training purposes or in AI generated content without explicit permission, allow individuals to sue companies that exploit their data or copyrighted works, require companies to disclose third parties that will have access to data, and provide "stiff financial penalties."
- On July 16, the Senate Judiciary Subcommittee on Crime and Counterterrorism held a [hearing](#) examining the AI industry's "mass ingestion of copyrighted works for AI training," revealing bipartisan concern over Big Tech's unauthorized data practices. Chairman Hawley (R-MO) delivered particularly strong remarks, likening Big Tech's use of pirated content to the early days of Napster and LimeWire, and accusing companies such as Meta of knowingly stealing billions of pages of copyrighted works—even after internal warnings about legal risks. A summary of the hearing can be found [here](#).
- The House [passed](#) the bipartisan Consumer Safety Technology Act, which directs the Consumer Product Safety Commission to pilot the use of AI for tracking injury trends, identifying hazards, and monitoring product recalls.

- On July 17, a group of eight House Republicans [sent](#) a letter to Commerce Secretary Howard Lutnick commending the Trump Administration’s rescinding of the Biden-era AI Diffusion Rule, which they argued hampered U.S. competition to China’s benefit. They praised the Administration’s new approach, which emphasizes know-your-customer and security controls for frontier AI technologies, while promoting freer flow of other American tech exports.
- On July 17, a bipartisan group led by Representatives Sydney Kamlager-Dove (D-CA), Bill Huizenga (R-MI), Gregory Meeks (D-NY), and Jefferson Shreve (R-IN) [introduced](#) the Export Controls Enforcement Act, which would strengthen U.S. export controls for sensitive technologies, including AI, by expanding the Bureau of Industry and Security’s (BIS) overseas staff and resources.
- On July 15, Senator Dave McCormick (R-PA) [hosted](#) the inaugural Pennsylvania Energy and Innovation Summit alongside President Trump and a host of state and federal officials as well as private sector leaders and journalists. The Summit aimed to “showcase Pennsylvania’s incredible potential to power the AI revolution.”

International, State and Third-Party Perspectives

- A coalition of over 100 organizations—including Common Sense Media, ENCODE AI, the National Center on Sexual Exploitation, Fairplay, and the Young People’s Alliance—sent a [letter](#) to congressional leaders on July 22 opposing any federal moratorium on state AI laws.
- Saudi Arabia is rolling out a nationwide AI education initiative as part of its Vision 2030 strategy, integrating AI into public school curricula and [aiming to train](#) one million citizens in AI skills. Over 330,000 people have already enrolled, with the goal of localizing technology, developing Arabic-language AI models, and reducing reliance on foreign expertise.
- A group of civil society groups including the ACLU and Public Knowledge sent a [letter](#) to Senate Judiciary Committee leaders expressing concerns about the NO FAKES Act, arguing that the bill’s broad definition of “digital replica” and its takedown provisions could threaten First Amendment-protected speech, result in over-censorship, and undermine individuals’ control over their own likeness. They instead advocated for more narrowly tailored legislative solutions to address AI-generated harms.
- [Bloomberg](#) reported that Colorado Governor Jared Polis (D) is considering calling a special session that could include a reconsideration of the state’s 2024 law requiring AI developers and their customers take steps to prevent AI bias in employment, finance, and other sectors. The law is currently set to go into effect February 1, 2026.
- On July 7, Anthropic released a [policy framework](#) for transparency in frontier AI. The framework emphasizes the need for transparency in order to ensure public safety and hold companies who are developing the technology accountable. The framework is designed to be applied at the federal, state, or international level and provides a set of minimum standards for transparency.

A Few Interesting Reads

- **Top AI scientists have a warning for us: Scientists from OpenAI, DeepMind, Anthropic and Meta warn that our ability to monitor AI reasoning may disappear as models evolve** ([Quartz](#)): In a rare show of unity, scientists set aside competition in a shared paper raising a shared alarm: the risk that AI models stop using human-readable reasoning. With some cutting-edge designs already skipping language altogether, this warning calls for safeguards to protect transparency in design and preserve visibility into AI decision-making, not a slowdown. You can find the paper [here](#).

-
- **Musk breaks silence on Grok's Nazi bender** ([AXIOS](#)): Despite recent upgrades, earlier this month, Grok, X's AI platform, posted antisemitic comments, including calling itself "MechaHitler." The incident sparked intense debate around Grok's training data (which relies heavily on X data), how AI companies choose to balance speed vs. accuracy and safety, as well as Musk's ongoing deflection to user prompting behavior being a problematic driver of issues like this.
 - **Delta moves towards eliminating set prices in favor of AI that determines how much you personally will pay for a ticket** ([Fortune](#)): Delta is piloting a program which uses AI to boost profitability by moving away from set fares and towards individualized pricing using AI. Privacy advocates fear this will lead to price-gouging.
 - **Replit's CEO apologizes after its AI agent wiped a company's code base in a test run and lied about it** ([Business Insider](#)): During a 12-day experiment, Replit's AI coding agent deleted a production base without permission. Worse, said investor Jason Lemkin, the coding agent hid and lied about it. The experiment revealed an AI model's ability to engage in manipulative behavior for self-preservation, the latest instance of an AI tool engaging in risky and manipulative behavior.
 - **Google A.I. System Wins Gold Medal in International Math Olympiad** ([The New York Times](#)): For the first time, an AI system built by Google DeepMind has achieved "gold medal" status in the annual International Mathematical Olympiad, a premier math competition for high school students. The machine's win signals that leading companies are continuing to improve their AI systems in areas like math, science and imputer coding.