Akin Intelligence - July 2025

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In This Issue

Akin Spotlight

White House Releases America's AI Action Plan

On July 23, 2025, the White House released America's AI Action Plan. The plan, initiated by President Donald J. Trump's Executive Order 14179, "Removing Barriers to American Leadership in Artificial Intelligence,"asserts that AI breakthroughs will "reshape the global balance of power, spark entirely new industries, and revolutionize the way we live and work." The plan emphasizes a "national security imperative" to secure technological dominance against global competitors, particularly China. The strategy is built on three pillars: Accelerate AI Innovation, Build American

AI Infrastructure and Lead in International AI Diplomacy and Security. Key principles include prioritizing American workers, ensuring AI systems are free from ideological bias and pursue objective truth and preventing the misuse or theft of advanced technologies by malicious actors. The plan aims to foster an "industrial revolution, an information revolution, and a renaissance—all at once" through AI.

Click here to read the full summary

Federal Action

NSF Announces $100 Million for AI Research Institutes

On July 29, 2025, the U.S. National Science Foundation (NSF), in partnership with Capital One and Intel, announced a $100 million investment to support five National Artificial Intelligence (AI) Research Institutes and a central community hub. The public-private investment aligns with the White House AI Action Plan and supports the goals in Executive Order 14277, Advancing Artificial Intelligence Education for American Youth. The AI institutes are designed to translate research into practical solutions and help build a national infrastructure for AI education and workforce development.

The awards include funding for two new AI Institutes, the NSF AI-MI and NSF ARIA, and continued funding for work at NSF AIVO, NSF IFML, NSF iSAT and NSF MMLI.

- NSF AI-Materials Institute (NSF AI-MI). Led by Cornell University, the NSF AI-MI aims to propel foundational AI research to accelerate the discovery of next-generation materials for sustainable energy, electronics, environmental stewardship and quantum technologies. It will create the AI Materials Science Ecosystem, a cloud-based portal that couples a science-ready large language model with multimodal data streams (experimental measurements, simulations, images and textual literature), and implement an educational program that covers AI and materials science across all levels of instruction.

- NSF AI Research Institute on InterAction for AI Assistants (NSF ARIA). Led by Brown University, the NSF ARIA will accelerate the development of next-generation AI assistants in the mental and behavioral health field, where trust, empathy and personalization are critical. The project seeks to bring together researchers in computer science, neuroscience, cognitive science, philosophy, law and education together with mental health practitioners and civil society groups, and also grow a future-ready workforce through K-12 and postgraduate training in the technical and ethical dimensions of AI.

- NSF AI Institutes Virtual Organization (NSF AIVO). Led by the University of California, Davis, the NSF AIVO serves as a national hub for the AI Institutes network. It connects federally funded AI Institutes, government stakeholders and the public, helps form new public-private partnerships and promotes public engagement.

- **NSF AI Institute for Foundations of Machine Learning (NSF IFML)**. Led by the University of Texas at Austin, the NSF IFML seeks to develop foundational tools and new mathematical theories to advance the state of the art in generative AI. This project will focus on frameworks for modeling AI training and inference to create efficient solutions and develop AI expertise through an online masters initiative and activities targeting high-school students.

- **NSF Institute for Student AI-Teaming (NSF iSAT)**. Led by the University of Colorado, the NSF iSAT pursues the national need to develop a world-leading AI workforce, using AI in K-12 classrooms to promote student success in science, technology, engineering and mathematics (STEM). This project will design a semester-long program designed to develop students' AI literacy, along with curriculum-linked professional learning for educators.

- **NSF Molecule Maker Lab Institute (NSF MMLI)**. Led by the University of Illinois Urbana-Champaign, the NSF MMLI is dedicated to developing AI tools, automated workflows and educational resources for molecular innovators to accelerate molecular discovery and broaden access to the expertise and mechanics of molecular synthesis. This project seeks to make progress toward fully autonomous molecular discovery and enhance workforce development and expert training.

GAO Issues Report on Generative AI Use and Management at Federal Agencies

On July 29, 2025, the U.S. Government Accountability Office (GAO) released its report on Generative AI Use and Management at Federal Agencies. The report finds that the use of artificial intelligence (AI) is experiencing rapid growth, particularly the use of generative AI. The number of reported AI use cases—across 11 selected agencies—nearly doubled from 2023 to 2024, with generative AI use cases increasing nine-fold. This expansion is driven by the potential benefits that generative AI offers across various government functions, such as streamlining processes and services, improving communication, making data retrieval more efficient, enhancing citizen engagement and improving public health outcomes. This accelerated adoption, however, also brings significant challenges, such as complying with existing federal policies and guidance, having sufficient technical resources and budget, avoiding biased outputs and hallucinations, prioritizing transparency in AI tools and securing classified or sensitive data. The report discusses these benefits and challenges, as well as efforts across agencies to respond to these challenges by leveraging existing frameworks, updating guidance and taking actions to safeguard data.

NIST Releases and Seeks Comments on Outline for AI Testing, Evaluation, Verification and Validation Guidance

On July 29, 2025, the National Institute of Standards and Technology (NIST) released an Outline: Proposed Zero Draft for a Standard on AI Testing, Evaluation, Verification and Validation (TEVV). The outline proposes a direction and structure for the forthcoming TEVV zero draft, which is intended to provide a foundational framework to help AI practitioners tailor TEVV approaches to specific systems and use cases.

NIST is seeking public comments on the Outline. Comments submitted by September 12, 2025, will be considered for NIST's initial public draft of the text; input received later will be considered for incorporation into subsequent iterations. Comments can be submitted via email to ai-standards@nist.gov.

President Trump Signs Executive Orders on AI

On July 23, 2025, President Trump signed three Executive Orders following the release of America's AI Action Plan. These Orders aim to advance the United States' leadership in artificial intelligence by addressing key areas identified in the Action Plan, including infrastructure development, promoting the export of American AI technology and maintaining unbiased AI systems.

1. "Accelerating Federal Permitting of Data Center Infrastructure"

This Order aims to facilitate the buildout of AI data centers and related infrastructure by easing Federal regulatory burdens.

- Revokes Executive Order 14141, Advancing United States Leadership in Artificial Intelligence (Jan. 14, 2025).
- Prioritizes use of federally owned land and resources for data center development.
- Directs the Secretary of Commerce to provide financial support for Qualifying Projects, which include data center projects with significant capital expenditures, electric load addition or national security importance.
- Mandates Federal agencies to identify and establish new categorical exclusions under the National Environmental Policy Act (NEPA) to streamline environmental reviews for qualifying projects.
- Expedites Qualifying Projects through the FAST-41 process, allowing for designation as a transparency project, publication on the Permitting Dashboard and expedited transition to a covered project.
- Directs the EPA administrator to streamline permitting regulations under major environmental laws (Clean Air Act, Clean Water Act, CERCLA and TSCA) and identify Brownfield and Superfund Sites for productive use by Qualifying Projects.
- Initiates programmatic consultations under the Endangered Species Act and review of nationwide permits issued under the Clean Water Act and Rivers and Harbors Act to facilitate efficient biological and water permitting.
- Requires the Departments of Interior, Energy and Defense to identify and make Federal and military lands available for Qualifying Projects, as appropriate and to support the Department of Defense's energy, workforce and mission needs.

2. Promoting the Export of the American AI Technology Stack

This Order seeks to ensure that American technologies, standards and governance models are adopted worldwide to strengthen relationships with allies and secure America's continued technological dominance.

- Directs the Secretary of Commerce to create the "American AI Exports Program" within 90 days to support the development and deployment of United States full-stack AI export packages, and issues a public call for proposals from industry consortia for inclusion in the Program.
- Requires the proposals to:
  - Include a full-stack AI technology package, which encompasses AI-optimized computer hardware (e.g., chips, servers and accelerators), data center storage, cloud services, and networking; data pipelines and labeling systems; AI models and systems; security measures; and AI applications for specific use-cases
  - Identify target countries or regional blocs for export engagement
  - Describe a business model, including which entities will build, own and operate data centers and associated infrastructure
  - Detail requested Federal incentives and support
  - Comply with all US export control regimes, outbound investment regulations and end-user policies.
- Directs the Commerce Secretary to evaluate and designate proposals as "priority AI export packages" that will receive priority access to Federal financing tools.
- Mobilizes Federal financing tools through the Economic Diplomacy Action Group (EDAG) to support the priority AI export packages with direct loans, loan guarantees, equity investments, co-financing, political risk insurance, credit guarantees, and technical assistance and feasibility studies.
- Tasks EDAG with promoting AI deployment and export by developing a unified Federal Government strategy; coordinating resources, fostering pro-innovation environments in partner countries; analyzing market access, including barriers that may impede competitiveness of US offerings and coordinating with the Small Business Administration to facilitate AI-related investment in small businesses.

3. "Preventing Woke AI in the Federal Government"

This Order addresses concerns about ideological bias in Large Language Models (LLMs) procured by the Federal government. The Order highlights examples where AI models altered historical facts or showed bias base on race or sex, and states that its purpose is to ensure reliable and accurate AI outputs by preventing ideological biases and social agendas, such as "diversity, equity, and inclusion" (DEI) concepts, from distorting information in AI models. The Order seeks to build on Executive Order 13960, Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government (Dec. 3, 2020).

- Mandates that Federal Agencies procure only those LLMs developed in accordance with the following Unbiased AI Principles:
  - "Truth-seeking. LLMs shall be truthful in responding to user prompts seeking factual information or analysis. LLMs shall prioritize historical accuracy, scientific inquiry, and objectivity, and shall acknowledge uncertainty where reliable information is incomplete or contradictory."
  - "Ideological Neutrality. LLMs shall be neutral, nonpartisan tools that do not manipulate responses in favor of ideological dogmas such as DEI. Developers shall not intentionally encode partisan or ideological judgments into an LLM's outputs

unless those judgments are prompted by or otherwise readily accessible to the end user."

- Directs the OMB director to issue guidance within 120 days for agencies to implement this procurement mandate.
- Requires Federal agencies to include compliance terms with the Unbiased AI Principles in each Federal contract for an LLM following the date of the OMB guidance.

Members Press on Trump Administration's Reversal on NVIDIA AI Chip Sales to China

On July 27, 2025, House Democrat Reps. Gregory Meeks (D-NY), Ranking Member of the House Foreign Affairs Committee, and Raja Krishnamoorthi (D-IL), Ranking Member of the House Select Committee on the CCP, sent a letter to Commerce Secretary Howard Lutnick, expressing concerns over the Trump administration's decision to allow NVIDIA to export its H20 chip to China, citing national security risks. On July 28, 2025, five Senate Democrats, including Minority Leader Chuck Schumer (D-NY) and Sen. Mark Warner (D-VA), sent a letter to Secretary Lutnick, calling the decision "abrupt and inexplicable" and urging its reversal. Prior to these letters, on July 18, 2025, Rep. John Moolenaar (R-MI), Chair of the House Select Committee on the Chinese Communist Party (CCP), asked Secretary Lutnick for a detailed briefing on the administration's decision to allow the H20 chip sales.

Congressional Action

House/Senate Defense Committees Advance AI Provisions in Must-Pass Defense Bills

On July 9, 2025, the Senate Armed Services Committee (SASC) approved its version of the fiscal year (FY) 2026 National Defense Authorization Act (NDAA; S. 2296), authorizing $878.7 billion for the U.S. Department of Defense (DoD). On July 15, 2025, the House Armed Services Committee (HASC) subsequently approved its version of the NDAA (H.R. 3838), authorizing $848.2 billion for DoD.

While the specific AI provisions in the House and Senate bills vary, they share significant overlap in directives related to AI mission planning for missile defense; AI data center infrastructure and management on DoD installations; cybersecurity and governance frameworks for AI and machine learning (ML); and the use of AI for training, readiness and operational support.

The House and Senate must now work to reconcile their separate versions of the NDAA. The Senate is poised to consider its measure on the floor in early September.

A number of tech-focused amendments have been offered to the Senate NDAA, including SA 3567, filed by Sens. Dave McCormick (R-PA) and Ron Wyden (D-OR), which would add the Remote Access Security Act (H.R. 2683) to the package. The legislation would amend the Export Control Reform

Act of 2018 to provide for control of remote access of items.

Lawmakers Introduce Bipartisan, Bicameral Bill to Promote AI in Financial Services

On July 30, 2025, a bipartisan, bicameral group of lawmakers reintroduced the Unleashing AI Innovation in Financial Services Act (H.R. 4801/S. 2528). The legislation—introduced by House Financial Services Committee Chair French Hill (R-AR), along with Reps. Richie Torres (D-NY), Bryan Steil (R-WI), and Josh Gottheimer (D-NJ), and Sens. Mike Rounds (R-SD), Andy Kim (D-NJ), Thom Tillis (R-NC) and Martin Heinrich (D-NM)—aims to promote AI in financial services via regulatory sandboxes for AI test projects at financial regulatory agencies.

Updated: AI Provisions in the One Big Beautiful Bill Act

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act into law. The law includes the following AI-specific provisions:

- Department of Defense (DoD):
  - $450 million for application of autonomy and artificial intelligence to naval shipbuilding;
  - $124 million for improvements to Test Resource Management Center AI capabilities;
  - $145 million for the development of artificial intelligence to enable one-way attacks on unmanned aerial systems and naval systems;
  - $250 million for the advancement of the artificial intelligence ecosystem;
  - $250 million for the expansion of Cyber Command AI lines of effort; and
  - $200 million for the deployment of automation and AI to accelerate audits of the financial statements of the DoD.
- National Nuclear Security Administration (NNSA): $115 million for accelerating nuclear national security missions through artificial intelligence.
- U.S. Customs and Border Protection: $6.168 billion for various purposes, including "[p]rocurement and integration of new nonintrusive inspection equipment and associated civil works, including artificial intelligence, machine learning, and other innovative technologies, as well as other mission support, to combat the entry or exit of illicit narcotics at ports of entry and along the southwest, northern, and maritime borders."
- Department of Energy: $150 million to carry out the following provisions:
  - "The Secretary of Energy shall -- (1) mobilize National Laboratories to partner with industry sectors within the United States to curate the scientific data of the Department of Energy across the National Laboratory complex so that the data is structured, cleaned, and preprocessed in a way that makes it suitable for use in artificial intelligence and machine learning models; and (2) initiate seed efforts for self-improving artificial intelligence models for science and engineering powered by the data described in paragraph (1)."

- The curated data "may be used to rapidly develop next-generation microelectronics that have greater capabilities beyond Moore's law while lowering energy consumption," and the AI models developed under paragraph (2) "shall be provided to the scientific community through the American science cloud to accelerate innovation in discovery science and engineering for new energy technologies."

- Rural Health Transformation Program: Allocates $10 billion per year in 2026-2030 to the Administrator of the Centers for Medicare & Medicaid Services to provide allotments to States for the purposes of carrying out certain health-related activities, including "training and technical assistance for the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies."

Notably, the final bill did not include the 10-year moratorium on state and local laws and regulations regulating AI models, systems or automated decision systems that was included in the House version of the bill. The moratorium was removed in the Senate version of the bill after facing bipartisan opposition.

State Action

California Senator Adds Transparency Requirements to AI Bill

On July 9, 2025, California State Senator Scott Weiner (D-San Francisco) announced amendments to Senate Bill (SB) 53, expanding the bill to include "a first-in-the-nation transparency requirement for the largest AI companies." The amendments draw on recommendations from the Joint California Policy Working Group on AI Frontier Models, which was convened in September 2024 and released a Final Report on June 17, 2025. Specifically, SB 53:

- Establishes transparency by requiring companies to publish their safety and security protocols and risk evaluations, in redacted form as necessary to protect intellectual property, cybersecurity, public safety or the national security of the United States
- Mandates reporting of critical safety incidents (e.g., model-enabled chemical, biological, radiological and nuclear (CBRN) threats, major cyber-attacks or loss of model control) within 15 days to the Attorney General
- Protects employees and contractors who reveal evidence of critical risk or violations of the act by AI developers

These provisions apply to "large developers," which are persons who have trained or initiated training of a foundation model using a quantity of computing power greater than 10^{26} operations.

EU and UK Updates

A Flurry of EU Regulatory Activity in relation to General-Purpose AI

July 2025 saw a flurry of regulatory activity by the EU in relation to General-Purpose AI (GPAI) models, as defined under the EU Artificial Intelligence Act (AI Act).

On July 10th, the final version of the GPAI Code of Practice was published (after May 2, 2025 deadline envisaged under the AI Act, but just before August 2, 2025 deadline for compliance with the obligations as regards GPAI). On August 1st, the European Commission and the AI Board confirmed that the GPAI Code of Practice is an adequate voluntary tool for providers of GPAI models to demonstrate compliance with the AI Act. The Code focuses on transparency, copyright, and safety and security. A number of leading GPAI providers have signed the Code, indicating their intent to adhere to it. The European Commission has confirmed that for signatories, it will focus its enforcement efforts on monitoring their adherence to the Code (as a practical tool that embeds the relevant provisions of the AI Act).

On July 18th, the European Commission published guidelines on the scope of obligations for providers of GPAI, together with FAQs. The guidelines focus on what a GPAI model is, what a "provider" means and when an actor modifying the GPAI model is considered to become a provider, when providers of GPAI released under a free and open-source license may be exempt from certain obligations under the AI Act, and the European Commission's expectations regarding compliance and enforcement.

On July 24th, the European Commission published a template to help GPAI providers summarize the content used to train their models. GPAI providers have an obligation under the AI Act to draw up and make publicly available a sufficiently detailed public summary of the content used for the training of the model. The template released by the European Commission is aimed at assisting with this obligation, as well as supporting copyright holders, for example, in exercising their rights under applicable laws.

High-risk AI Systems Consultation

On July 18th, 2025, the public consultation in relation to the AI Act's rules on high-risk AI systems closed. The European Commission aimed to collect input from a wide range of stakeholders, including providers and developers of high-risk AI systems, businesses and public authorities using such systems, as well as academia, research institutions, civil society, governments, supervisory authorities, and citizens in general. Feedback from the consultation will be taken into account in the upcoming guidelines on classifying high-risk AI systems, and related requirements and obligations.

New UK Data (Use and Access) Act Promotes Innovation

On June 19th, 2025, the UK adopted the Data (Use and Access) Act 2025 and on August 20th, 2025, the first stage of its implementation commenced. The Act revamps certain provisions in existing legislation, including the UK GDPR, in relation to data, aiming to promote innovation and economic growth. It is a wide-ranging Act, which includes provisions to enable the growth of

digital verification services, new Smart Data schemes like Open Banking and a new National Underground Asset Register.

EU Pledges to Buy €40 Billion of US AI Chips

On July 28, 2025, the European Commission underlined plans to purchase €40 billion worth of U.S.-made AI chips under a new trade deal finalized the day before with President Trump. Commission President Ursula von der Leyen emphasized that these U.S. chips will power European AI infrastructure, while also reinforcing America's tech leadership.

UK Law Commission Publishes a Discussion Paper on AI and the Law

On July 31st, 2025, the Law Commission, an independent statutory body of legal policy experts tasked with keeping the law in the UK under review and making recommendations for development and reform, published a discussion paper on AI and the law. The aim of the paper is to raise awareness of the legal issues around AI and to prompt discussion, with a view to identifying those areas most in need of law reform.

Akin Thought Leadership

White House Issues Long-Awaited AI Action Plan and Accompanying Executive Orders (July 25, 2025)

European Commission Invites Comments on Future Digital Fairness Act (July 23, 2025)

FDA Announces AI Councils Amid Calls for Greater Agency Transparency (July 16, 2025)

Beyond the Strikes: How AI Is Reshaping the Media & Entertainment Landscape—and How Global Regulators Are Responding (June 30, 2025)

BIS Rescinds Its AI Diffusion Rule and Issues Compliance Guidance Regarding Advanced Computing Items (May 21, 2025)

Akin Strengthens London Technology Transactions Team with Addition of IP Partner Natasha Ahmed (May 8, 2025)

FDA and HHS Appoint AI Chiefs (May 8, 2025)

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