

# AI policy directions in the new Trump administration

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Commentary

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- President-elect Trump will take office in an important time for artificial intelligence (AI), putting him and the Republican Congress in a powerful position to chart the U.S. approach to this influential set of technologies.
- The new administration will likely relax agency regulation, focus more on competition with China, and decrease AI-related antitrust enforcement, among other possibilities.
- Although predicting technological progress is difficult, the next four years will bring some unexpected developments in AI, and effectively stewarding this extraordinary technology will require a nimble and balanced set of federal policy responses.



President-elect Donald Trump, flanked by his son Barron Trump, J.D. Vance and his wife Melania Trump, points to the crowd after speaking during his election night party alongside

other family and friends at the Palm Beach County Convention Center on Tuesday, November 6, 2024, in West Palm Beach, FL, USA. Matias J. Ocner/Miami Herald/TNS/ABACAPRESS.COM

President-elect Trump will be the first chief executive to enter office in the post-ChatGPT era. The second Trump administration will run from January 2025 to January 2029—a period with profound importance for advances in artificial intelligence (AI) technology and AI policy in the U.S. and abroad. Additionally, Republican control of not only the White House but also of the Senate will put President Trump in a powerful position to advance AI-related legislative priorities.

## **Changes in AI regulation**

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What will this all mean for AI? Here are some likely changes:

**Relaxed agency regulation on some AI issues:** It has been widely reported that President Trump will repeal the AI Executive Order (EO) issued by President Biden in October 2023. That EO reflected a regulation-heavy, multi-agency approach to AI. The EO directed the Department of Commerce to enact new requirements for reporting large AI models and computing clusters to the government.

Also pursuant to the EO, the Office of Management and Budget released binding guidance for agency use and procurement of AI. The Trump administration may elect to rescind some or all of these requirements. Or it may issue modifications by, for example, adopting a less risk-centered policy or reducing the consideration of climate impacts.

More generally, the new administration is likely to instruct the Department of Commerce, the Federal Trade Commission (FTC), and other agencies to take a more hands-off approach to AI regulation. The incoming administration may also have a different posture regarding voluntary “soft law” frameworks. This could impact how the Trump White House interprets the voluntary safety and testing commitments that the Biden administration secured from leading U.S. AI companies in July 2023.

**Increased AI export control:** One area where the second Trump administration may continue or increase Biden-era AI regulation lies in export control. Under President Biden, the Bureau of Industry and Security in the Department of Commerce tightened AI export control rules in October 2022, October 2023, and April 2024. A key goal of these rules is to impede access by China to the most advanced AI semiconductor chips.

The second Trump administration is likely to further strengthen AI-related export restrictions. A key challenge that the Biden administration encountered and that the new Trump administration will also face is the limited effectiveness of these rules. There is a robust

overseas black market in banned AI chips. In addition, cloud computing makes it easy to access the computational power of AI chips remotely, including across international borders. If the new Trump administration seeks to narrow these loopholes, it will be important to do so in a way that avoids collateral damage to the U.S. AI ecosystem.

**Increased China focus:** In addition to strengthening export control, the new Trump administration will likely focus on competition with China in other ways. While the Biden administration took steps to stay ahead of China in AI, it also opened avenues for bilateral engagement on managing AI risks. If, as expected, President Trump imposes tariffs on a wide range of goods from China, continued bilateral engagement on AI will be less likely.

In part in response to recent reports of China's growing military and intelligence AI activities, the new administration will likely ramp up work on military and intelligence use of AI—including by increasing collaboration with American AI companies. Among other consequences, this will likely involve adopting a less risk-averse approach than is reflected in the Biden administration's October 2024 National Security Memorandum on AI.

**Reduced AI-related antitrust enforcement:** The incoming Republican administration is certain to replace FTC Commissioner Lina Khan with someone who has a less interventionist approach. Department of Justice antitrust officials under the new administration will also be less likely to pursue tech antitrust actions. For AI, this means that acquisitions by and of AI companies that might have been blocked on antitrust grounds under a Democratic president will be more likely to proceed unimpeded.

In addition, while Microsoft's recent decision to hire two co-founders and many employees of Inflection spurred the FTC to open an antitrust investigation, it is less clear that an analogous deal occurring during the upcoming Trump administration would lead to similar FTC scrutiny. Separately, in the new administration, the threshold for behavior alleged to constitute exclusionary practices under the Sherman Act may be higher.

**Increased federal support for autonomous vehicle adoption:** Waymo, an autonomous vehicle company that is a subsidiary of Alphabet, the parent company of Google, already gives 150,000 driverless taxi rides per week, up from about 50,000 in May. The next four years will see continued growth in the number of driverless cars—a technology where AI-based driving algorithms play a central role.

The second Trump administration will have a front row seat, so to speak, in overseeing and updating the rules to promote the safe integration of autonomous vehicles with traditional, human-driven vehicles. In formulating the administration's autonomous vehicle policy, President-elect Trump will likely seek input from Elon Musk, who, as CEO of Tesla, has made major investments in developing autonomous driving technologies.

**Federal preemption of some state AI regulation:** An emergent feature of the U.S. AI ecosystem is the patchwork of state-level AI laws. These laws—including those in [Colorado](#), [Utah](#), and [California](#)—were in many cases enacted as a response to a perceived lack of sufficient regulation at the federal level. However, well-intentioned state AI laws, when viewed at the national level, can create an overly complex patchwork that increases compliance costs for U.S. AI companies, thereby disadvantaging American AI on the international stage.

A new Trump administration could help streamline U.S. AI regulation by introducing federal legislation that preempts the subset of state laws most likely to disadvantage American AI competitiveness. This does not necessarily mean more burdensome federal regulation—the federal government can also implement negative laws that would explicitly or implicitly prohibit state legislatures from enacting particular forms of AI legislation.

## The upshot: A key time for American AI

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There is no shortage of early takes on U.S. AI policy under the new administration, including at [TechCrunch](#), [R Street](#), [Fast Company](#), [Vox](#), [Transformer](#), and [Out of Control](#). In combination, these, as well as the present post, help to articulate some of the AI policy opportunities and challenges over the next few years.

But as the release of ChatGPT clearly demonstrated in late 2022, looking into the future is always hard with technology, and it is particularly so with AI. What is certain is that the next four years will bring some unexpected developments in AI and that effectively stewarding this extraordinary technology will require a nimble and balanced set of federal policy responses.

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