

# PUBLIC SUBMISSION

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**Docket:** NSF-2025-OGC-0001  
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**Comment On:** NSF-2025-OGC-0001-0001  
Request for Information: Development of a 2025 National Artificial Intelligence Research and Development Strategic Plan

**Document:** NSF-2025-OGC-0001-DRAFT-0209  
Comment on FR Doc # 2025-07332

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## Submitter Information

**Organization:** Professional Services Council (PSC)

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## General Comment

See attached file(s)

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## Attachments

PSC Comments on NSF RFI Development of 2025 AI RD Strategic Plan Docket NSF2025OGC0001\_SIGNED



May 29, 2025

NITRD National Coordination Office  
National Science Foundation  
2415 Eisenhower Avenue  
Alexandria, VA 22314  
ATTN: Faisal D'Souza, Technical Coordinator

**RE: PSC Comments on “Request for Information on the Development of a 2025 National Artificial Intelligence (AI) Research and Development (R&D) Strategic Plan” (Docket ID No. NSF-2025-OGC-0001)**

Dear Mr. D'Souza:

On behalf of the Professional Services Council (PSC), I am pleased to submit comments on the National Science Foundation's (NSF) request for information (RFI) on the “Development of a 2025 National Artificial Intelligence (AI) Research and Development (R&D) Strategic Plan” (Docket ID No. NSF-2025-OGC-0001), as published in the *Federal Register* on April 29, 2025.

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Through this RFI and on behalf of the Office of Science and Technology Policy (OSTP), the NSF's Networking and Information Technology Research and Development National Coordination Office (NITRD NCO) seeks input from external stakeholders on how to rewrite the *National Artificial Intelligence Research and Development Strategic Plan (2023 Update)*<sup>1</sup> in order to secure the U.S. position as the unrivaled world leader in AI. The RFI states that the United States can do so by “performing R&D to accelerate AI-driven innovation, enhance U.S. economic and national security, promote human flourishing, and maintain the United States' dominance in AI while focusing on the Federal government's unique role in AI research and development (R&D) over the next 3 to 5 years.”<sup>2</sup> It therefore solicits ideas from the public, particularly researchers, industry, and others involved in or impacted by AI R&D,<sup>3</sup> to inform this effort.

As you may know, PSC is an industry association with more than 400 member companies—small, mid-sized, and large—that provide much-needed technology and professional services and

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<sup>1</sup> National Science and Technology Council, Select Committee on Artificial Intelligence. (2023, May). National Artificial Intelligence Research and Development Strategic Plan (2023 Update). Retrieved from <https://www.nitrd.gov/pubs/National-Artificial-Intelligence-Research-and-Development-Strategic-Plan-2023-Update.pdf>.

<sup>2</sup> Networking and Information Technology Research and Development National Coordination Office, National Science Foundation. (2025, April 29). Request for Information on the Development of a 2025 National Artificial Intelligence (AI) Research and Development (R&D) Strategic Plan, 90 Fed. Reg. 17835. Retrieved from <https://www.govinfo.gov/content/pkg/FR-2025-04-29/pdf/2025-07332.pdf>.

<sup>3</sup> Ibid.

solutions to all federal agencies. These companies and their workers throughout America work shoulder to shoulder with federal civilian and uniformed personnel. PSC supports our members and their federal government customers by promoting effective government practices and policies, improvements in federal contracting, and constructive dialogue between the federal government and industry. Therefore, the PSC comments included in this document focus on the interests of the entire federal government and the role that the federal contracting community plays in supporting and delivering on critical agency missions.

In these efforts, PSC would emphasize the following principles for NSF consideration as the U.S. Government develops a National AI R&D Strategic Plan:

- **Federal contractors provide critical expertise** in achieving agency missions, furnishing advanced research capabilities and technical advancements that drive innovation and enhance government capacity.
- **Federal contractors enable the government to leverage commercially developed, R&D-intensive technologies** to modernize systems, improve mission agility, and deliver faster, measurable results for the American public.
- **A strong policy framework that encourages public-private collaboration in AI R&D—and supports private sector investment through incentives—is essential** to addressing emerging national and global challenges and sustaining U.S. leadership in innovation.

It is worth noting that in 2023, PSC established an internal AI Working Group to support a growing emphasis on emerging technologies in general and AI in particular.<sup>4</sup> The working group, which includes PSC members and industry leaders in AI, holds monthly not-for-attribution meetings to track trends, discuss challenges, share best practices, and develop recommendations on the evolution of AI and generative AI (GenAI) within the federal context. **As the government continues to implement Executive Order (EO) 14179, “Removing Barriers to American Leadership in Artificial Intelligence”<sup>5</sup> and develop further AI guidance, PSC would be happy to facilitate dialogue, as appropriate, on the Administration’s AI policies beyond the scope of this information collection and explore how the federal contracting community can best offer support.** Such facilitation may include, but is not limited to, small group sessions, government presentations, reverse industry days, and additional written comments.

Specifically related to this RFI and the effort to develop a National AI R&D Strategic Plan, PSC strongly supports the federal government’s commitment to advancing R&D-driven innovation and strengthening U.S. leadership in AI and other emerging technologies. A renewed focus on federal R&D investment—and cultivating an environment that supports such investment—is crucial as allies, partners, and near-peer competitors make their own investments and compete for global AI

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<sup>4</sup> Professional Services Council. (n.d.). Technology and Innovation Council. Retrieved from [https://www.pscouncil.org/psc/Councils/e/\\_p/cc/Technology\\_Council.aspx?hkey=43021f8b-4d23-4c57-a9f0-33b3ceda7d8e](https://www.pscouncil.org/psc/Councils/e/_p/cc/Technology_Council.aspx?hkey=43021f8b-4d23-4c57-a9f0-33b3ceda7d8e).

<sup>5</sup> Executive Order 14179 - Removing Barriers to American Leadership in Artificial Intelligence. (2025, Jan 23). 90 FR 8741. Retrieved from <https://www.govinfo.gov/content/pkg/FR-2025-01-31/pdf/2025-02172.pdf>.

leadership. **PSC supports the private sector’s vital and growing role in advancing U.S. R&D, as industry currently outspends the federal government in overall R&D investment.**<sup>6</sup>

Recognizing the broader policy ecosystem influencing AI R&D, PSC urges the federal government to reflect in its 2025 update of the National AI R&D Strategic Plan a careful consideration regarding how tax policies impact strategic AI R&D objectives—especially given that a substantial portion of R&D investment now originates from the private sector. Of particular note, changes made under the Tax Cuts and Jobs Act of 2017 (TCJA; P.L. 115-97), which require the amortization of R&D expenses over five years rather than allowing immediate expensing, can disincentivize companies to invest in their workforce and critical research areas, including AI.

This tax policy shift increases short-term costs for companies with an outsized impact on small and mid-sized firms that drive a significant share of AI innovation. **Additional concerns include cash flow constraints, impacts on business scaling and growth, investor sentiment, and other related factors.** As a result, the current policy undermines the core goals articulated in the current National AI R&D Strategic Plan (2023 Update), which emphasizes expanded public-private collaboration and sustained private sector contributions to national R&D leadership.

Findings by the **Tax Foundation** on R&D Tax highlight the following:

- “Investment in research and development (R&D) is central for driving long-term technological change and innovation. The R&D tax credit and immediate expensing for R&D spending are two important ways the federal tax code provides incentives for R&D investment.
- “The economic literature on the R&D tax credit suggests that it increases R&D spending, although the magnitude of that increase and how much of that new research translates to new innovation is more ambiguous.
- “Providing an immediate and full deduction for R&D costs is neutral tax treatment and helps incentivize firms to invest in R&D.”<sup>7</sup>

***PSC recommends that NSF, through the 2025 update of the National AI R&D Strategic Plan, advances incentives for American companies to continue to invest in R&D while supporting additional upfront cost to those investments.***

While NSF does not have jurisdiction over tax policy, it can play a pivotal role in shaping the federal government’s approach to AI R&D through the commercial sector (e.g., affecting how companies spend on R&D). In doing so, NSF must recognize that current tax treatment of R&D expenditures directly affects industry’s capacity to invest, partner, and deliver on national AI priorities. **Ensuring alignment between federal AI goals and economic incentives is essential**

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<sup>6</sup> See Ivers, J., Roper, W., Watters, M., & Willison, J. (2024, April 26). Evolving federal R&D to meet the challenges of tomorrow. Retrieved from <https://www.mckinsey.com/industries/public-sector/our-insights/evolving-federal-r-and-d-to-meet-the-challenges-of-tomorrow>.

<sup>7</sup> Muresianu, A., & Watson, G. (2021, April 13). Reviewing the Federal Tax Treatment of Research & Development Expenses. Retrieved from <https://taxfoundation.org/research/all/federal/research-and-development-tax/#Key>.

**to sustaining innovation, supporting the industrial base and the scaling of start-ups, and encouraging domestic R&D activity in an increasingly competitive global environment.**

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PSC appreciates the Administration's willingness to engage with industry on a range of issues that are important to our nation's security, defense, and economic well-being, including the National Science Foundation's request for information regarding a 2025 update to the National AI R&D Strategic Plan. This engagement is an iterative process that would clearly benefit from more forums for open dialogue and discussion. As an industry association representing these businesses, we at PSC look forward to continued engagement and would be happy to facilitate such dialogue and discussion, as appropriate. Should you have any questions, please feel free to contact me at [\*\*policy@pscouncil.org\*\*](mailto:policy@pscouncil.org). Thank you for your consideration.

Sincerely,

James W. Carroll  
Chief Executive Officer