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Email: [redacted]
Organization: Scale AI

General Comment

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Attachments

Scale AI Comment in Response to the AI Action Plan RFI (3_15_2025)

Scale AI, Inc. | 650 Townsend St. | San Francisco, CA 94103 |

SCALE AI RESPONSE TO THE REQUEST FOR INFORMATION ON THE DEVELOPMENT OF AN ARTIFICIAL INTELLIGENCE ACTION PLAN

Scale AI is pleased to respond to the Request for Information (RFI) on the development of an Artificial Intelligence (AI) Action Plan.[1] Scale strongly supports President Trump's mission to "define the priority policy actions needed to sustain and enhance America's AI dominance, and to ensure that unnecessarily burdensome requirements do not hamper private sector AI innovation".[2]

Introduction

Scale was founded in 2016 and since that time has powered nearly every AI Innovation. From our earliest days working with the leading autonomous vehicle companies, to our work today with the leading Frontier AI labs and governments around the world, we have always been on the forefront of innovation. Our role in this critical ecosystem provides us a unique opportunity to understand how to build high quality AI systems, powered by the world's best data.

AI promises to be the most important technological innovation of our time and has already proven to make Americans lives better. Today, AI is powering groundbreaking medical research, improving efficiency in workplaces in every state and providing our nation's Department of Defense (DOD) new capabilities which will continue to make our military the strongest in the world. Beyond the technology itself, AI also presents trillions of dollars of potential economic output and is on track to create millions of opportunities for the American workforce in the coming decades.

The next four years will be crucial to deciding where the world's premier AI systems will be built and whether they will be trained and shaped by Western or Chinese values. In order to ensure dominance, China is leveraging the full extent of their civil-military fusion, and the United States will only win if we not only match, but exceed their intensity.

[1] See, https://www.federalregister.gov/documents/2025/02/06/2025-02305/request-for-information-on-the-development-of-an-artificial-intelligence-ai-action-plan
[2] iBid.

The race for global leadership is well underway and the Chinese Communist Party (CCP) is firmly committed to winning

AI is made up of three main pillars–compute, data, and algorithms. More than one year ago, the United States was clearly ahead on all three. However, today that is no longer the case. Advancements from China, most notably with the launch of Deepseek, have shown that they have closed the gap. From Scale's perspective, today, China is leading on data, we are tied on algorithms, and the United States remains ahead on compute. It's clear that the race is neck and neck.

In order to compete more aggressively, the CCP has implemented a whole of country approach, utilizing its government, industry, and military to superdrive its pursuit of becoming the global standard for AI. From an investment standpoint, and for the first time in history, China is benchmarking AI investments off of leading tech companies and not the United States government.

When it comes to building out their data pipeline, China is sparring no expense. Last year, our analysis of publicly available materials found that China spent at least $1.2 billion dollars on data labeling alone. Additionally, as part of China's AI plus initiative, the government established data labeling centers around the country with the lion's share of this work supporting public sector applications. In fact in May 2024, the National Data Bureau announced seven data labeling industrial bases will undertake the construction of specialized data annotation bases[3]: Chengdu (Sichuan), Shenyang (Liaoning), Hefei (Anhui), Changsha (Hunan), Haikou (Hainan), Baoding (Hebei), and Datong (Shanxi).[4] In

[3] See, https://www.globaltimes.cn/page/202404/1309974.shtml

[4] See, https://www.cnfin.com/yw-lb/detail/20240525/4053351_1.html#:~:text=%E2%80%A2%E6%8D%AE%E5%9B%BD%E5%AE%B6%E6%95%B0%E6%8D%AE%E5%B1%80%E5%85%AC%E4%BC%97%E5%8F%B7%E6%B6%88%E6%81%AF%EF%BC%8C5%E6%9C%8824%E6%97%A5%E4%B8%8B%E5%8D%88%EF%BC%8C%E5%9B%BD%E5%AE%B6%E6%95%B0%E6%8D%AE%E5%B1%80%E5%85%9A%E7%BB%84%E4%B9%A6%E8%AE%B0%E3%80%81%E5%B1%80%E9%95%BF%E5%88%98%E7%83%88%E5%AE%8F%E5%9C%A8%E7%AC%AC%E4%B8%83%E5%B1%8A%E6%95%B0%E5%AD%97%E4%B8%AD%E5%9B%BD%E5%B3%B0%E4%BC%9A%E4%B8%BB%E8%AE%BA%E5%9D%9B%E4%B8%8A%E5%8F%91%E5%B8%83%E4%BA%86%E6%89%BF%E6%8B%85%E6%95%B0%E6%8D%AE%E6%A0%87%E6%B3%A8%E5%9F%BA%E5%9C%B0%E5%BB%BA%E8%AE%BE%E4%BB%BB%E5%8A%A1%E7%9A%84%E5%9F%8E%E5%B8%82%E5%90%8D%E5%8D%95%EF%BC%8C%E5%88%86%E5%88%AB%E6%98%AF%EF%BC%9A%E5%9B%9B%E5%B7%9D%E7%9C%81%E6%88%90%E9%83%BD%20%E5%B8%82%E3%80%81%E8%BE%BD%E5%AE%81%E7%9C%81%E6%B2%88%E9%98%B3%E5%B8%82%E3%80%81%E5%AE%89%E5%BE%BD%E7%9C%81%E5%90%88%E8%82%A5%E5%B8%82%E3%80%81%E6%B9%96%E5%8D%97%E7%9C%81%E9%95%BF%E6%B2%99%E5%B8%82%E3%80%81%E6%B5%B7%E5%8D%97%E7%9C%81%E6%B5%B7%E5%8F%A3%E5%B8%82%E3%80%81%E6%B2%B3%E5%8C%97%E7%9C%81%E4%BF%9D%E5%AE%9A%E5%B8%82%E3%80%81%E5%B1%B1%E8%A5%BF%E7%9C%81%E5%A4%A7%E5%90%8C%E5%B8%82%E3%80%82%E4%B8%83%E4%B8%AA%E5%9F%8E%E5%B8%82%E6%89%BF%E6%8E%A5%E4%BA%86%E6%95%B0%E6%8D%AE%E6%A0%87%E6%B3%A8%E5%9F%BA%E5%9C%B0%E5%BB%BA%E8%AE%BE%E4%BB%BB%E5%8A%A1%E4%B9%A6%E3%80%82

addition to setting up these hubs, they have also begun to heavily subsidize data labeling through vouchers, and other forms of tax breaks.[5]

Beyond data, while the United States has been stuck in a research and pilot mindset, the CCP started to rapidly increase their investment in AI and field AI capabilities. In the first half of 2024 alone, the People's Liberation Army issued 81 contracts - up from only one contract in 2023 - with Large Language Model companies to rapidly grow their capabilities.[6]

President Trump rightly called the proliferation of Deepseek a "wake up call[7]" and if that's true–the question remains, how should the United States respond?

Beating China relies on four main pillars–Protect, Promote, Unleash, and Innovate

If the United States wants to beat China, we must not only match but exceed the CCP's intensity on AI. President Trump has already made this aspiration clear in his January 23, 2025 Executive Order "Removing Barriers to American Leadership in Artificial Intelligence" when he set our nation's AI north star stating: "It is the policy of the United States to sustain and enhance America's global AI dominance in order to promote human flourishing, economic competitiveness, and national security.[8]" To fulfill this vision, the US must take bold steps and Scale believes the path forward must include decisive action on these four main pillars – Protect, Promote, Unleash, and Innovate.

Pilar One: Protect – The United States' ability to leverage existing tools, such as export controls, to protect against adversaries having access to our leading technologies must be a primary focus. When it comes to AI, it's clear that the United States still has the world's best technology companies, working on the world's best technology which is being developed by the world's best talent. These innovations have set the global standard for what best-in-class means and because of that, our adversaries are fully committed to gaining access to it.

For that reason, tools like export controls have been effectively used by multiple Administrations to help ensure that our technology ends up in the hands of allies, and out of the hands of adversaries. However, export controls, alone, are not going to make certain that we beat China, but they have shown to be effective in slowing their progress.

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[5] See, https://babl.ai/china-unveils-comprehensive-plan-to-boost-data-labeling-industry-growth/
[6] See, https://www.scmp.com/tech/tech-trends/article/3267866/chinas-public-sector-accelerates-ai-adoption-2024-zhipu-and-iflytek-emerge-winners
[7] See, https://www.nbcnews.com/tech/innovation/trump-china-deepseek-ai-wake-call-rcna189526
[8] See, https://www.whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence/

Before we decide whether or not to put in place additional export controls, it's clear that we need better enforcement of our existing ones already in place. Export controls are only as effective if they are properly enforced, and the United States Government has struggled with the enforcement mechanisms. For instance, the smuggling of powerful semiconductor chips into countries that should not have access to US technology is well known and until the USG utilizes its full arsenal of enforcement tools to stop that flow, no amount of export controls will be the sole solution to this problem.

The Trump Administration will have tough decisions to make on whether or not to put in place new export controls, which chips and/or AI models to put controls over and how to best implement them. Scale recommends that prior to putting in place any new export controls, the Trump Administration does a comprehensive review of the USG's existing controls to better understand where new ones are required. Additionally, the Administration should place new emphasis and focus on the enforcement of our existing export controls to better protect our best-in-class technology from ending up in the hands of adversaries.

Pilar Two: Promote - Effective tech diplomacy heavily relies on the access and adoption of US technology by our allies. Over the past few years, the United States has simply not prioritized the promote aspect nearly as much as the protect aspect. But if our nation is to fulfill President Trump's vision of United States technological dominance this must change.

In the coming year, countries around the world may be forced to effectively choose between whether they want to use Western technology or Chinese technology. We have already seen examples of this choice[9] and, in Scale's experience, it's clear that countries want to leverage the United States technology. However, when asking countries to make this choice, we believe, the United States must also provide those countries full access to US technology to ensure effective alignment.

We have already seen this play out with respect to 5G technology. In the early days of 5G, the world had to choose whether to harness US technology or Chinese technology. The CCP, through its digital silk road initiative, was able to rapidly export their technology to many developing parts of the world leading to China effectively becoming the de facto global standard. This happened because the United States did not actively promote our technology and because of this, today, China's global influence on 5G is much stronger than the United States'.

[9] See, https://www.reuters.com/breakingviews/microsofts-g42-deal-puts-uae-americas-ai-tent-2024-04-16/

Currently there are a number of government programs designed to promote the United States' interest abroad, but AI is not eligible given those programs'mandates. Scale believes that programs like the Export-Import Bank and US Development Finance Corporation are two examples which should see their remits extended to include AI, and more broadly software exports. These programs have both been important tools in growing industry sectors and working to promote United States interests abroad, but AI should be included in this important work. To be clear, this is not an increased funding recommendation but rather a recommendation to expand eligibility and scope to meet the realities of today.

Beyond exporting our technology to the world, the US must also lead in the development of measurement science for AI including standards and frameworks. The National Institute of Standards and Technology (NIST) has been central in this critical function and must continue to play a central role so that the United States is at the forefront of building standards and then exporting this science to the world.

Currently, there are a few different mechanisms to do this, but increasingly the Global Network of AI Safety Institutes is becoming more important. Currently, the global network is made up of 10 countries[10] with the United States currently serving as the Chair. This is a ready-made entity to export our measurement science and it is vital that the United States is not only at the table, but also setting the tone and direction. To date, China has not been allowed entry into the body and so long as the US has a seat at the head of the table it should be guaranteed to stay that way.

Pilar Three: Unleash - In order to dominate, the US needs to unleash our technology to the world, and the first step happens right here at home. As China has correctly identified, the best way to leverage AI is to start using it. While that may seem obvious, and despite the uneven playing field, the United States Government has fallen behind China when it comes to government use of AI.

In our analysis, the Department of Defense is the furthest agency along when it comes to adopting and implementing AI, but it has not launched a new AI program in nearly a decade.[11] For the past four years, DOD leadership spent countless hours developing potential use cases for AI, researching and piloting AI systems, and even putting out guidance to stop users from utilizing AI.[12] But with limited widescale adoption. In contrast,

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[10] See, https://time.com/7178133/international-network-ai-safety-institutes-convening-gina-raimondo-national-security/

[11] See, https://www.defense.gov/News/News-Stories/Article/Article/1254719/project-maven-to-deploy-computer-algorithms-to-war-zone-by-years-end/

[12] See, https://www.doncio.navy.mil/ContentView.aspx?ID=16442

China is rapidly deploying AI systems and there could be serious consequences for United States national security should they lead on Generative AI and Agentic applications.

Fortunately, we still have time to catch up but the window is closing. To start, we must put in the foundational elements necessary to expand the use of AI programs. This starts with data. The DOD has long recognized the need to prioritize AI-ready data, even calling it a "national priority", but there has been little action taken to implement this priority.

To truly prioritize and execute a strategy to have AI-ready data it requires two main aspects–AI-ready data requirements and enterprise-wide AI data infrastructure. As discussed above, China has recognized that winning on AI relies on a run-away data advantage. Last year alone, the DOD spent under $100 million on AI-ready data whereas China spent over $1 billion.[13] The United States government is the world's leading producer of both quantity and diverseness of data, but nearly all of this data is going unused with AI. If the US wants to turn our data into an advantage this must change.

In parallel to implementing the requirement, the Department should also set up enterprise-wide AI data infrastructure. This commercial best practice ensures that AI programs are developed in the most efficient and cost effective manner. The leading tech companies have long realized this requirement for effectiveness and for that reason China is mirroring the same approach. To date, the Department of Defense has not yet taken the steps necessary to put in place this capability in a meaningful way.

Once the right data foundation is in place, the government must also look to build out an AI strategy that will best position the United States to win. In order for this to occur, Scale believes that this should focus on Agentic Applications such as Agentic Warfare. This would provide a "top right of the curve" vision and enable a tangible multi-year plan to reach it.

Agentic warfare presents the best opportunity for the United States to build asymmetric advantages given that it will eventually be able to complement human's ability to process information. For example, AI Agents could drastically improve the intelligence gathering process by constantly monitoring for new information and immediately relaying that information to a human overseer. This example is possible today and would provide immediate impact. Scale is actively working on deploying the first instance of this[14], but if the United States wants to beat China this approach must be implemented through the entirety of the Department of Defense and Government writ large.

[13] Per Scale's internal analysis of open source reporting
[14] See, https://scale.com/blog/thunderforge-ai-for-american-defense

If we want to win, we must not only buy into a vision, but also start to take clear and decisive actions on it.

Pilar Four: Innovate – Scale has long been vocal proponents of the idea that the right regulatory framework is one that maximizes innovation, but still creates proper guardrails. For the United States to continue to be the most attractive place for leading tech companies to develop the next generation of cutting edge AI systems, it relies on ensuring the best environment for them to do so.

This should start by reaffirming President Trump's previous commitment[15] to a sector-specific and use-cased base regulatory framework which rightly governs the use of the technology instead of the technology itself. Furthermore, this approach focuses on governing outputs and mirrors how we have always governed technology. For example, a laptop can be used for a number of different purposes including enabling research and connectivity but it can be also used for hacking. However, we do not regulate the laptop, we regulate the malicious use of said laptop. This is the same approach the US should confirm for AI.

However, to adequately implement this approach the US must ensure that our regulatory system is sufficient for AI. AI will be the most ubiquitous technology of our time and will be used in every industry. Therefore, the US government needs a thorough understanding of where gaps may be in the regulatory system. In order to best determine this, Scale strongly supports the Administration conducting a comprehensive regulatory gap analysis which would highlight if one exists. If shown to exist, actions must be taken to provide regulatory consistency.

Finally, the US private sector and government must start to look at how we can all support and build the workforce of the future in the United States. AI is still relatively new, and much like coding in the 1990s, acquiring the skills necessary to train, fine tune, and evaluate AI systems will be vital in the future. These skillsets did not exist a decade ago, but are already proving to be large drivers of economic activity.

For example, in 2024, Scale had hundreds of thousands of people around the world doing flexible, side-hustle work on our marketplace platforms and were compensated nearly $500 million collectively. In the United States specifically, there are people in over 9,000 unique cities and towns doing this type of flexible AI work. In the coming years, as AI continues to develop, we believe that this type of work will generate billions of economic output.

[15] See, https://trumpwhitehouse.archives.gov/ai/executive-order-ai/

If our nation wants to build the highest quality AI systems in the United States, they must be trained by people in the United States. U.S. tech companies should be central in building the workforce of the future right here in the United States, consistent with President Trump's priorities regarding American job creation and American AI leadership.

To make this a reality, the Administration should advance regulatory policies that promote the new work opportunities that companies like Scale are pioneering in the AI economy–work opportunities that are critical to America's AI success against the real and imminent threat of China's AI initiatives, and promote the AI upskilling of the American workforce by incentivizing business activities that enable workers to transfer their pre-existing credentials, skills and competencies to the AI economy.

Conclusion

Over the past few years, no topic has captivated the world like AI, and it's indisputable that AI is one of the most, if not the most, important technological innovation of the century. The next four years will be critical in determining whether or not the United States will lead the world in the development, deployment, and export of this technology. China is determined to be the global standard for AI, and it's imperative that the US does not let this happen.

President Trump has rightly committed to leading the world, and now is the time for bold action. Scale looks forward to working with the Trump Administration to do just that.

Please direct any questions to the undersigned.

Max Fenkell
Head of Government Relations
Scale AI