

AMERICAN SOCIETY FOR AI

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Office of Science and Technology Policy (OSTP)
Executive Office of the President
Faisal D'Souza, NCO
2415 Eisenhower Avenue
Alexandria, Virginia 22314

Response to RFI on the “Development of an AI Action Plan”

Dear OSTP Team,

On behalf of the **American Society for Artificial Intelligence** (ASFAI), I appreciate the opportunity to provide input on the development of the AI Action Plan (Federal Register Document No. 2025-02305). ASFAI is a private, non-profit organization dedicated to bringing together top AI leaders, executives, and researchers. Since launching in 2023, we have emerged as the **most prominent AI association in the United States**. Our mission is to make the world a better place with AI, ensuring the United States remains competitive and *the* leader in AI. Wholly non-partisan & unbiased, uniquely operating as unpaid volunteers, accepting zero donations & zero sponsorships.

Given our **highly esteemed & distinguished membership** of only senior leaders; including Fortune 100 C-Suite executives, U.S. Congressmen, and leading AI pioneers, researchers, and entrepreneurs, we offer unique insights into both the opportunities and challenges AI presents across industries. This response focuses on areas where **U.S. leadership in AI can be strengthened** while maintaining American-led ethics & global competitiveness.

Our submission addresses three areas in developing a national AI policy:

- First, we assess policy areas of **defense, licensing, transparency, fraud detection, accountability, export controls, and consumer protection**.
- Next, we provide an overview of **state-level initiatives**, with the hope that federal AI policies will gain from state-level efforts.
- Finally, we discuss approaches to achieving **ethical & beneficial AI**.

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AI Policy Areas

ASFAl members represent a wide variety of interests in numerous fields including distinguished representatives of the business, legal, military and academic communities. Our membership holds diverse views, but we are united in believing that **AI can be used for good**, and that the **United States should be the global leader in AI**. We believe that the US can take the lead both in developing cutting edge AI technology and in establishing regulatory and legal principles to ensure the ethical and beneficial use of AI.

While our European allies have taken a cautious approach to the development of AI, the regulatory framework they have established appears to have limited the pace of innovation in those countries. **Due to the key role that the US plays in pushing the frontiers of AI technology, we cannot afford to create regulatory barriers to innovation.**

However, in accordance with our core principles, the members of ASFAl generally believe it is possible to **approach the regulation of AI in a way that will not limit the growth of this technology** or cede leadership to another country.

A recent survey proposed a number of potential areas for government involvement that could be implemented consistent with this approach.

The results, as shown in the following pages, give insight into which areas should be prioritized.

This report is submitted through ASFAl's Policy Committee.

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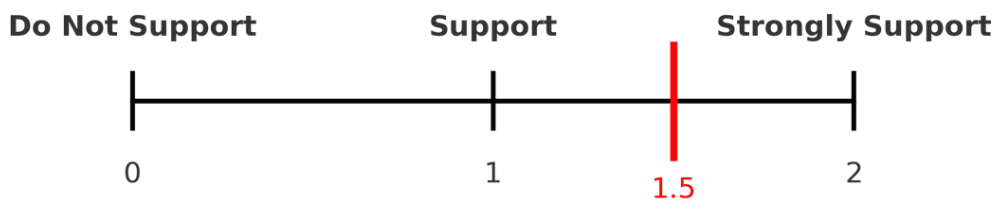
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Defense and Law Enforcement

Policy Consideration

"The government must prohibit autonomous AI agents from engaging in lethal activities without a human in the loop to ensure accountability, ethical decision-making, and adherence to international humanitarian laws. Lethal decisions require complex judgment, moral reasoning, and situational awareness that AI systems cannot fully replicate or validate independently."

Survey Result



Remarks

The majority of the ASF AI membership supports the policy that the US government should prohibit autonomous AI agents from engaging in lethal activities autonomously. Current AI agents simply do not have the requisite degree of moral reasoning to make life-and-death decisions alone.

However, our members also noted that if implemented poorly, such a policy could put the US at a disadvantage against an adversary that does not adhere to such restrictions. Therefore, limitations on the use of AI should differ transparently based on rules of engagement for specific areas of operation.

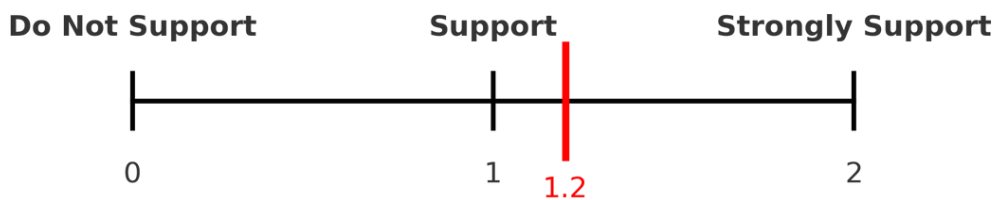
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Export Controls

Policy Consideration

“Implement export controls, sanctions, and other legal restrictions to prevent the transfer of advanced AI models, hardware, and related technologies to adversary nations and countries engaged in severe human rights abuses.”

Survey Result



Remarks

The majority of our membership supports limiting the export of AI technology to potential adversaries and countries suspected of using AI to enable human rights abuses. AI is a key strategic asset, and we should vigorously protect American leadership in this area. Export controls can be one means that the US retains our leading position while reducing the risk that our adversaries will abuse the technology.

Our members also expressed concerns that improperly implemented export controls would be ineffective at slowing the spread of AI technology to our enemies. Furthermore, poorly designed trade restrictions could harm innovation by making it harder for US firms to profit from their innovations.

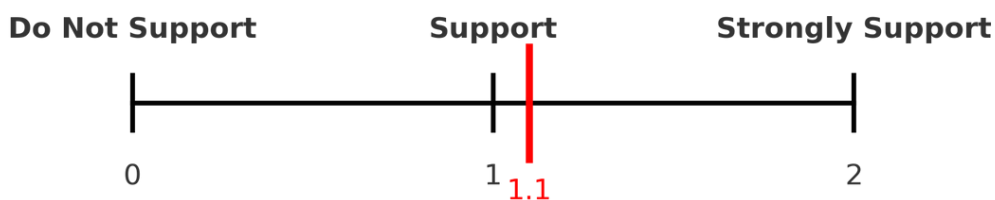
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Consumer Protection

Policy Consideration

“Require companies to apply safety measures for AI in high-risk applications, including notifying users when AI impacts them adversely and offering options for human review. Regulations would ensure consumer control over personal data usage in AI and impose limits on AI applications involving children.”

Survey Result



Remarks

ASFAI membership supports efforts to protect consumers, such as regulations regarding the use of private data, and the development of AI targeting medical patients and children. Such measures could improve trust and limit the exploitation of vulnerable people.

However, our members also suggested that consumer protection regulations should focus on AI applications rather than the core technologies. In many cases, existing laws and regulations can address potential issues without creating new regulations aimed specifically at AI. By focusing specifically on high-risk applications, a balance can be achieved between enabling innovation in core AI technologies while protecting the most vulnerable members of society from exploitation. For example, with respect to medical AI, it is desirable to ensure patient privacy protection while leveraging AI to improve clinical outcomes.

An important subset of US consumers are patients, and we suggest ensuring patient privacy protection, while leveraging AI to enable significant acceleration in advanced solutions that improve clinical outcomes.

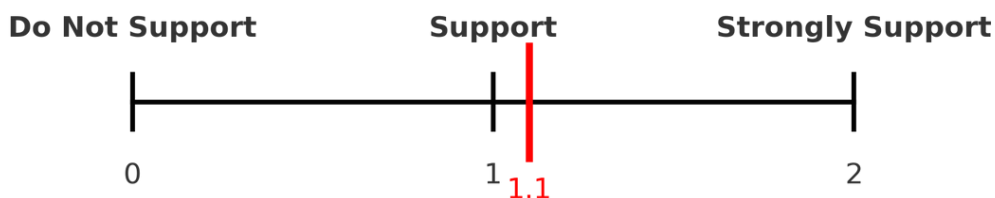
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Deepfake/Fraud Detection

Policy Consideration

“To combat the misuse of AI-generated content, generative AI tools should include watermarking mechanisms that embed detectable markers into all generative outputs. These watermarks should be robust against tampering and universally recognizable using standardized detection tools. Developers of generative AI models ensure compliance by incorporating this feature at the model design stage and providing public access to tools for watermark verification.”

Survey Result



Remarks

ASFAI members also support efforts aimed at encouraging generative AI systems to include watermarks to indicate the origins of AI-generated output. This could aid in preventing fraud and abuse of generative AI systems by making users more accountable for the content they create.

However, watermarking is not a silver bullet. Bad actors are likely to bypass such requirements. Furthermore, overly restrictive requirements could stifle innovation. For example, it may contribute to a regulatory moat that serves as a barrier to competition and favors large companies.

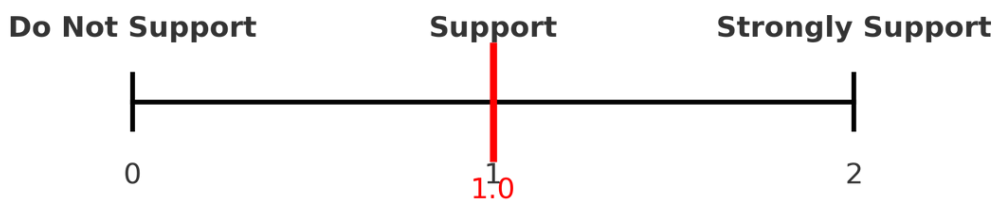
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Legal Accountability

Policy Consideration

“Ensure AI companies are legally accountable for breaches of privacy, civil rights, or other harms caused by their technologies. This includes allowing enforcement by an oversight body, private rights of action, and clarifying that Section 230 protections don’t automatically apply to AI.”

Survey Result



Remarks

Our membership supports holding companies that develop AI legally accountable for breaches of privacy, civil rights, or other harms caused by their technologies. This ensures that the developers of AI are encouraged to balance the risks and opportunities that come with AI.

In many cases, these protections fall within the scope of current law and do not require additional regulation. Several members suggested that applying common law accountability for specific harms could be more effective than preventative regulation. Additionally, members expressed the view that developers should not be held accountable for the abuse of general use tools if safety measures are taken to prevent such harms.

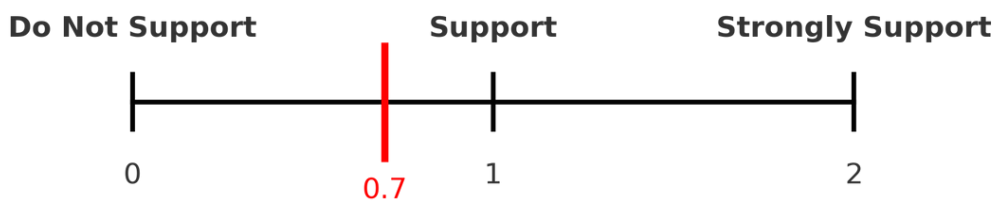
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Licensing & Oversight

Policy Consideration

“Establish an independent oversight body for AI, requiring companies developing high-risk AI (such as general-purpose models or facial recognition) to register. This licensing may include risk management, pre-deployment testing, data governance, and adverse incident reporting. The oversight body may also have authority for audits and coordination with the state Attorneys General.”

Survey Result



Remarks

Support for a general licensing regime was less robust among ASFAI members than for other policy proposals. While a majority of members favored establishing an oversight body, some members expressed concerns that a licensing regime could severely hamper innovation. In the best case scenario, a federal oversight body could seek to align individual state requirements that might otherwise hinder the development of AI across state lines.

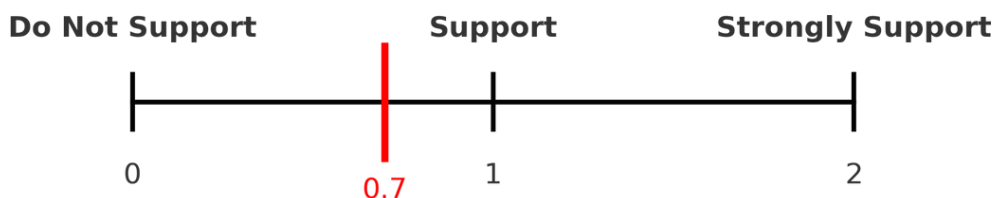
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Transparency

Policy Consideration

“Companies developing and deploying AI systems above a threshold size should provide transparency regarding the training data, limitations, accuracy, and safety of their models. Furthermore, the federal government should maintain a public database of significant adverse incidents to offer accessible information on AI systems for consumers and researchers.”

Survey Result



Remarks

As with the licensing body, ASFAI members expressed limited support for regulations requiring companies to disclose data regarding the training and specifications of the AI systems they develop. While transparency is often desirable, a mandatory reporting regime could harm US competitiveness and make it more difficult for small firms to compete (e.g., by requiring excessive compliance and paperwork).

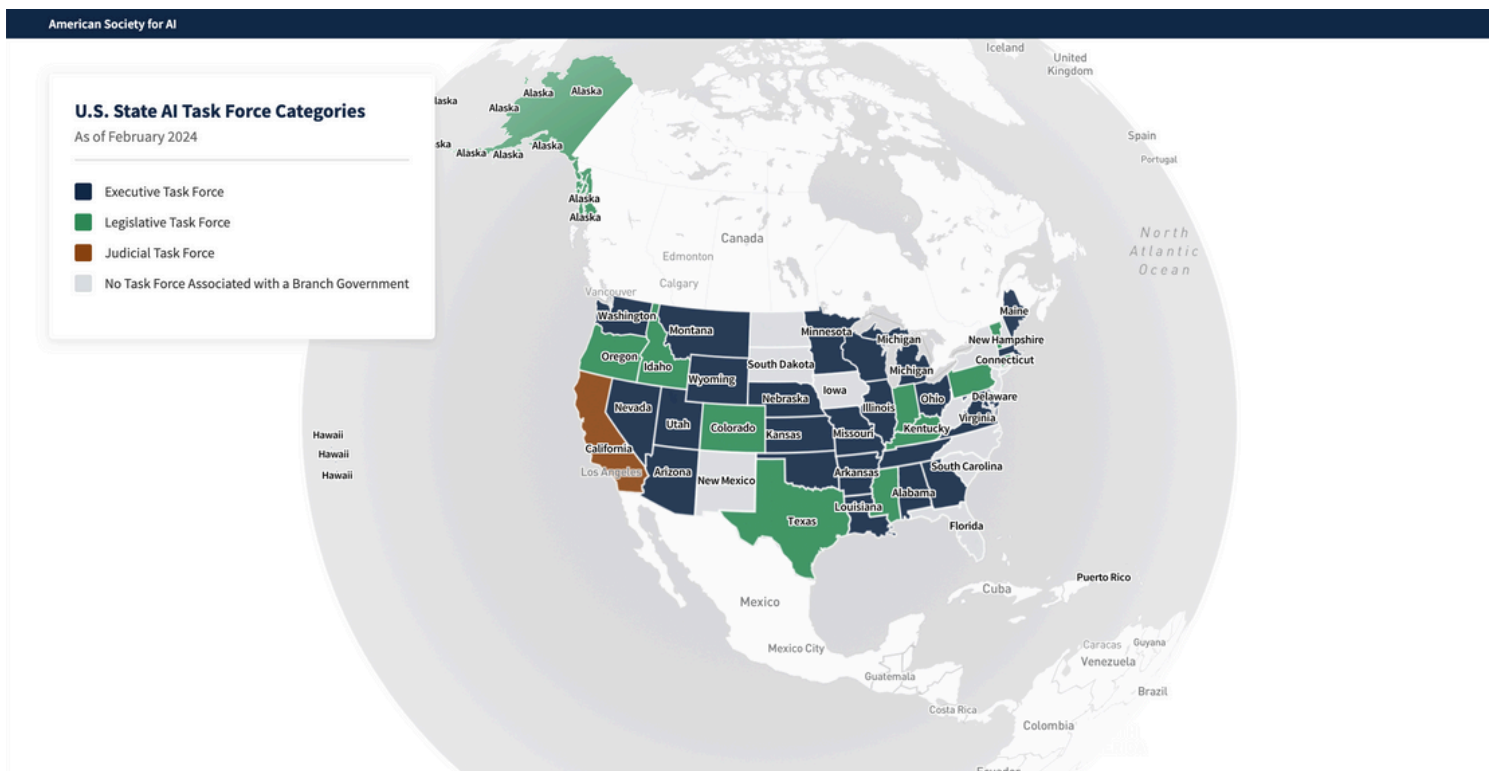
However, systems other than mandatory transparency for private companies may enable increased transparency without stifling innovation. For example, voluntary reporting, and government adoption of AI to increase transparency could balance the desire for transparency with the need to retain a competitive business environment.

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Learning from State Initiatives

Another area of concern is whether AI should be regulated primarily at the state or federal level. ASFAl research has shown that the vast majority of states (40/50) have already completed, or are in the process of implementing a government-supported AI task force. However, the emergence of different regulatory regimes in different states could make it more difficult for AI companies to operate and threaten the competitiveness of the US as a whole.

Understanding these state-level initiatives can provide insights to shape federal policy. While a patchwork approach to regulation could be harmful, **state governments can also serve as vital laboratories for policy innovation**, offering real-world evidence of how different governance approaches succeed or fail in practice. Thus, it may be appropriate for federal policymakers to **observe state initiatives before implementing a regulatory approach for the whole country**.



States with dedicated AI committees, working groups, or tasks forces

State-Level Implementation Models

Dedicated Task Forces

Several states (e.g., Maryland) have established dedicated task forces with specific mandates and sunset provisions. This model typically involves a discrete group of experts working within a defined timeframe to produce specific deliverables, such as policy recommendations or implementation frameworks. This can result in a more focused mission, but the fixed duration can limit long-term oversight capability.

Integrated Agency

Other states have integrated AI governance into existing governmental structures, such as Georgia's effort spearheaded by the Georgia Technology Authority. This model can be more efficient, but it lacks the focus of a dedicated task force.

Legislative Committees

States such as Colorado have established legislative committees with ongoing AI oversight responsibilities. This model emphasizes continuous legislative engagement and oversight. However, legislative committees may not have the same expertise available compared to a dedicated task force or a technology-specific government agency.

Hybrid Approaches

Some states have developed hybrid models that combine elements of multiple approaches. For example, Oregon has combined a legislative Task Force with an executive Advisory Council. Hybrid approaches can balance the advantages of various other approaches.

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State-Level AI Policies

By observing the effects of policies implemented at the state level, federal lawmakers can gain insight before imposing restrictive regulations. However, the era of state experimentation is just beginning, so it is critical to document and observe the effects of state policies as these effects emerge. Example areas of focus include:

Adoption and Preparation

States have recognized that AI policy should not be solely focused on regulation and limiting risk. Governments can also encourage increased development and adoption of AI. For example, Iowa's executive task force specifically targets cost reduction and automation opportunities, while Arkansas emphasizes practical applications in unemployment insurance fraud detection and recidivism reduction.

Other states have focused on preparing for the rise of AI. For example, Wisconsin's task force is tasked with assessing labor market implications, while New Jersey combines workforce preparation with broader economic development goals.

Deepfake/Fraud Detection

Numerous states have taken steps to prevent fraud and deepfakes. For example, California recently passed a law compelling companies to remove deepfakes when identified by users, and allowing courts to issue injunctions blocking the distribution of deceptive political content during elections. Tennessee passed legislation targeting unauthorized AI-generated replication of people's voices and likenesses to prevent unwanted AI impersonation.

Consumer Protection

Colorado recently enacted legislation requiring developers of high-risk AI systems to exercise reasonable care to prevent algorithmic discrimination and mandating disclosures to consumers. Similarly, Utah passed a law establishing liability for undisclosed AI use that violates consumer protection laws and requiring disclosures in regulated professions such as healthcare. Other states have focused on prevention of bias and discrimination. For example, a recent New York law mandates bias audits for automated employment decision tools. Arizona's judicial steering committee is tasked with addressing bias mitigation in sensitive government functions.

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Alternatives for Achieving Ethical AI

To achieve beneficial AI while continuing to advance US leadership, alternatives to regulation should be explored that enable ethics to serve as a foundational pillar without becoming a constraint on innovation. Ethical AI ensures that AI adoption is sustainable, enforceable, and aligned with democratic values. To effectively integrate ethics into AI policy without constraining growth, the following principles should guide U.S. AI strategy:

Investing in the Development of Ethical AI

The US should pursue ethical governance frameworks that accelerate AI adoption, rather than becoming a regulatory burden. This includes incentivizing ethical AI innovation. For example, the federal government could provide tax incentives, R&D grants, and government contracts for companies that integrate responsible AI practices.

Government policy can also include facilitating the development of private Ethical AI Certification Standards. These standards could include voluntary programs that encourage companies to build trust through transparency. Voluntary programs enable companies to balance the costs and benefits of participation and are less likely to hinder innovation for companies that find it too costly to comply.

Assessing AI Risk

The ethical deployment of AI must balance innovation, security, and economic development. But in order to do this we must first understand the risks and benefits of AI. Accordingly, the US could work toward developing standardized risk assessments. These assessments could be based on the work of state and academic initiatives.

The risks of AI will vary greatly across sectors. Therefore, it will be essential to establish sector-specific AI risk mitigation frameworks to ensure safety in critical infrastructure, financial services, defense applications, consumer products, etc. Determining the impact on the workforce in these sectors is of particular importance. Once the risks and opportunities are better understood, mitigation programs such as AI skills training could be implemented across industries to enhance system reliability, reduce unintended risks, and strengthen human-AI collaboration.

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Alternatives for Achieving Ethical AI (continued)

Enhancing Transparency and Public Trust

Sustained AI leadership requires public trust and transparency to drive broad adoption across industries. One method for doing this is for the government to become a leader in using AI systems to enhance the level of transparency in government. When people see AI being used to keep the government accountable, it could encourage the development of AI models to achieve transparency in other high-stakes systems such as finance, healthcare, and public services. Data that was once inaccessible to the public can be made available and explainable through AI.

Additionally, the US could invest in a national AI literacy campaign to ensure that the public is equipped to take advantage of new opportunities that become available as AI systems become more capable. By understanding AI, people are more likely to employ AI systems for their own personal benefit.

Conclusion

The US is the global leader in AI, and we should do everything in our power to retain that position. *In some cases*, such as the use of AI for military and law enforcement, **careful consideration should be given to establish clear standards**. However, the establishment of European-style regulation stifles innovation and creates an opening for other nations to overtake the US at the technological frontier.

Accordingly, the **federal government should carefully observe and learn from state-level AI regulatory experiments** before enacting broad federal policies. Most states have already launched diverse AI initiatives and governance models, ranging from dedicated task forces to legislative oversight committees. In some instances, federal regulations could streamline state-level rules to avoid the US becoming a patchwork jurisdiction that impedes technological development. Finally, **approaches other than regulation should be considered to achieve ethical development** and deployment of AI systems. From incentive programs to educational campaigns, it is important that the US take a broad-based approach to accelerating ethical AI in a way that does not threaten our position as the world leader in this crucial technology.