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## Thematic Research

# Five ways Trump will change AI

### New era, new priorities

When it comes to AI, Donald Trump 2.0 will be very different from Joe Biden -- and from Trump 1.0.

There was strong continuity between Trump's AI policies in his first term and those of the Biden administration that followed.

However, his increasing rapport with tech leaders, criticism of regulation and harder line on China – as well as two years of lightning speed developments in generative AI since the launch of ChatGPT – suggest a change in approach is imminent.

AI is set to be a defining strategic issue for the next four years, not just as a significant economic and social driver but also as a vital national security asset.

And with the technology still in its infancy, Trump's presidency will have a profound and lasting impact on how it develops.

There will be five major consequences:

1. Tech leaders are in the room where it happens
2. Safety moves down the agenda
3. Regulators become more AI tech-friendly
4. Domestic chipmakers get preference
5. Security moves up the agenda

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## 1. Tech leaders are in the room where it happens

*“We have a new star, a star is born. Elon. He is an amazing guy... He’s a super genius – we have to protect our geniuses, we don’t have that many of them”:* Trump victory speech, Nov 6, 2024

- Trump has struck up personal relationships with Silicon Valley executives that suggest that his door will always be open to industry in the years to come. Indeed, his vice presidential pick, JD Vance, worked for venture capitalist Peter Thiel, who has since supported his political career.
- Vance later co-founded his own venture firm, Narya Capital, which is backed by a number of leading tech executives and reportedly has several AI investments. He has spoken out against restrictive regulation that could favour incumbents and has championed open-source technology.

### Boosting Silicon Valley

- Elon Musk, the world’s richest man, was at the centre of Trump’s election campaign and donated more than \$130m towards his campaign and those of other Republican candidates. He is now set to become head of a department for government efficiency, putting him in a plum position to influence policy in technology and far beyond.
- Despite Silicon Valley’s traditional Democratic leanings, Trump also enjoys support from other leaders including Marc Andreessen and Ben Horowitz, the founders of Andreessen Horowitz, as well as venture capitalists David Sacks and Chamath Palihapitiya, co-hosts of the influential All-In podcast.
- As a guest on the podcast, Trump said his policies would boost Silicon Valley by deregulating cryptocurrency, increasing access to visas for highly skilled workers and pushing for energy independence to stay competitive in AI.

## 2. Safety moves down the agenda

*“We will repeal Joe Biden’s dangerous Executive Order that hinders AI Innovation, and imposes Radical Leftwing ideas on the development of this technology. In its place, Republicans support AI Development rooted in Free Speech and Human Flourishing”:* Republican manifesto, endorsed at convention in July 2024

- The strong continuity in AI policy between the first Trump administration and that of Joe Biden will be broken – at least in tone.
- While the Executive Order issued by Biden in October last year was similar in spirit to the one issued by Trump in February 2019, it ratcheted up safety obligations on AI developers and Trump has vowed to repeal it.
- The US under both Trump and Biden has so far opted for a patchwork approach to AI regulation, mostly relying on existing laws. Trump himself [supplemented](#) that with the first US national AI strategy, regulatory guidance and a commitment to double funding for AI research in the two years from 2020. Biden built on them, including with the establishment of the [US AI Safety Institute](#).

### Big Tech, Little Tech

- However, while the Biden administration has typically sided with large companies calling for more regulation, Trump has warmed towards advocates for scrappier “little tech” startups and deregulation.
- A pivot towards active deregulation could reinforce the position of the US



as the leading economy for tech companies. At the end of September, Gavin Newsom, governor of California, which hosts 32 of the world's top 50 AI companies, [vetoed](#) what would have been the most sweeping AI safety legislation in the US.

- By contrast, the European Union recently introduced the world's first comprehensive, horizontal AI legislation in the form of the [AI Act](#), which comes into effect over the next three years. The UK will introduce legislation to protect against the risks of AI next year, replacing voluntary agreements on AI testing, Technology Secretary Peter Kyle said at an event yesterday.

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### 3. Regulators become more AI tech-friendly

*On a potential breakup of Google-parent Alphabet: "Are you going to destroy the company? What you can do without breaking it up is make sure it's more fair": Trump at Bloomberg event, Oct 15, 2024*

- The Trump administration is likely to tone down the aggressive antitrust enforcement approach of the Federal Trade Commission (FTC) and the Department of Justice (DoJ).
- Its room for manoeuvre in replacing senior officials with its own more business-friendly appointees will be greater given that the Republicans have won back the Senate, making it easier to win approval for appointments. Naturally, its legislative capacity will be enhanced if the Republicans turn out to have retained the House of Representatives.
- However, both agencies have a busy docket of tech-related lawsuits that they are unlikely to abandon. For example, the DoJ [said](#) last month it is considering a possible breakup of Alphabet's Google to end its search monopoly, and the FTC is suing Meta and Amazon for alleged monopolistic conduct.

#### No smooth ride

- Beyond that, time will tell whether the agencies dial back on their rulemaking efforts and look more kindly on future mergers that have been held back in anticipation of a change of regime.
- While Trump suggested last month that he would not agree with a breakup of Google, it is not likely to be a completely smooth ride for technology companies.
- He wrote on his Truth Social site that Google had "illegally used a system of only revealing and displaying bad stories" about him. He said he would "request their prosecution, at the maximum levels" when he became president. (Google denied favouring any candidate.) Vance told CBS in August that FTC Chair Lina Khan has "been very smart about trying to go after some of these big tech companies that monopolise what we're allowed to say in our own country".
- Trump's criticism of tech companies goes well beyond Google – for example, he complained three years ago that Meta unfairly banned him from Facebook and Instagram.

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### 4. Domestic chipmakers get preference

*"Taiwan, they stole our chip business... and they want protection... That chip deal is so bad. We put up billions of dollars for rich companies to come in and borrow the money and build chip companies here. They're not going to give us the good*



*companies anyway”: Trump on the Joe Rogan podcast, published Oct 27, 2024*

- Trump has criticised the bipartisan [CHIPS and Science Act](#), passed in 2022 to boost the domestic supply of chips by subsidising chip companies that set up manufacturing operations in the US. In particular, he has questioned the benefit to Taiwan, which he says is too dominant in producing a technology that is crucial for US national security.
- One key recipient of CHIPS funding is Taiwan Semiconductor Manufacturing Company, which makes around 90% of the advanced AI chips used by companies including Nvidia. The company is set to receive as much as \$6.6bn in [funding](#) and another \$5bn in loans from the Department of Commerce towards a \$65bn site in Arizona.

### Tariffs and trade

- Meanwhile US-based Intel [said](#) in March it was set to receive up to \$8.5bn in direct funding for commercial semiconductor projects in Arizona, New Mexico, Ohio and Oregon, supporting plans to invest over \$100bn in chipmaking in the US over five years.
- More broadly, Trump has said he will lift tariffs to 60% on goods imported from China and 10% from the rest of the world. That – and a potential trade war -- could throttle supplies not only of silicon hardware but also the import of minerals essential for chip production: for example, China imposed restrictions on exports of [gallium](#), of which it produces about 98% of the world’s supply, and of germanium, where it controls two thirds of global refined production, in August last year.

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## 5. Security moves up the agenda

*“Continued American leadership in AI is of paramount importance to maintaining the economic and national security of the United States and to shaping the global evolution of AI in a manner consistent with our Nation’s values, policies, and priorities”: Trump, AI Executive Order, Feb 11, 2019*

- Trump began a process of restricting China’s access to advance semiconductor chips and equipment at the tail end of his first term that accelerated under Biden as security concerns mounted.
- His administration put Shenzhen-based telecommunications company Huawei on the [US Entity List](#) of foreign individuals or organisations deemed to be of concern in 2019, citing “reasonable cause to believe that Huawei has been involved in activities contrary to the national security or foreign policy interests of the US”.
- The Biden administration dialled up the pressure in October 2022 by introducing export controls to limit China’s access to advanced US semiconductors and technologies -- and has continued to tighten them ever since. Most recently it said on Oct 28 that it is finalising rules to prevent US companies and citizens from investing in AI, semiconductors and quantum computing in China that could have next-generation military and security applications.

### Beyond equipment exports

- The issues go beyond equipment exports.
- AI products themselves are coming under the microscope: Reuters reported last week that Chinese researchers linked to the People’s Liberation Army have used Meta’s open-source Llama models to develop

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an AI tool for potential military applications. That was despite Meta’s prohibition on the use of Llama for military use – it has since said it will make an exception for US officials and some allies.

- While Trump told the Wall Street Journal last month that he had a “very strong relationship” with Chinese President Xi Jinping, it seems likely that his administration will continue or further tighten the semiconductor measures imposed by the Biden administration – supercharged by blanket tariffs.



# A brief timeline of Trump, Biden and AI

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## Trump administration

**Feb 11, 2019:** Trump issues [Executive Order](#) on “Maintaining American Leadership in Artificial Intelligence”, with five principles focused on:

1. Driving technological breakthroughs in AI across the federal government, industry and academia to promote scientific discovery, economic competitiveness and national security
2. Developing technical standards and reducing barriers to safe testing and deployment
3. Training workers to use AI
4. Fostering public trust and protecting civil liberties, privacy and American values
5. Promoting an international environment that supports US AI research and innovation, opens markets for American AI industries and protects its technological advantage and critical technologies

**Aug 10, 2019:** Department of Commerce’s National Institute of Standards and Technology (NIST) releases “Plan for Federal Engagement in Developing AI Technical Standards and Related Tools” in response to Trump’s Executive Order

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## Biden administration

**Oct 4, 2022:** White House issues “[Blueprint for an AI Bill of Rights](#): Making Automated Systems Work for the American People”

**Nov 30, 2022:** Launch of OpenAI’s ChatGPT

**July 21, 2023:** White House secures [voluntary commitments](#) from seven leading AI companies to manage AI risks responsibly, joined by eight more companies in September

**Oct 30, 2023:** Biden issues [Executive Order](#) on “Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence”, with eight principles focused on:

1. Managing risks to safety and security
  2. Promoting responsible innovation, competition and collaboration
  3. Supporting workers
  4. Advancing equity and civil rights
  5. Protecting consumers
  6. Protecting privacy and civil liberties
  7. Optimising and managing risks from the use of AI by the US federal government
  8. Advancing US leadership abroad
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**Feb 8, 2024:** Secretary of Commerce announces creation of [US AI Safety Institute Consortium](#) of more than 200 companies and organisations housed under new AI Safety Institute within NIST

**Aug 29, 2024:** US AI Safety Institute signs agreements on AI safety with Anthropic and OpenAI

**Oct 24, 2024:** White House issues [memorandum](#) on advancing US leadership in AI, harnessing AI to fulfil national security objectives and fostering the safety, security and trustworthiness of AI

**Oct 30, 2024:** White House issues one-year anniversary [statement](#) on progress since AI Executive Order

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