



October 27<sup>th</sup>, 2025

**Submitted via Regulations.gov**

Stacy Murphy  
Deputy Chief Operations Officer/Security Officer  
Office of Science and Technology Policy

**Re: Notice of Request for Information; Regulatory Reform on Artificial Intelligence  
(Docket No. OSTP-TECH-2025-0067)**

Dear Deputy Chief Murphy,

On behalf of millions of Americans for Prosperity activists across all 50 states, we write to express our strong concern regarding the potential impact of outdated or misaligned regulations on the development and deployment of artificial intelligence (AI).

Many existing regulations were enacted long before the emergence of modern AI technologies. These legacy rules can inadvertently hinder innovation and delay the rapid implementation of AI-driven tools that could significantly improve government efficiency and service delivery. While the federal government's current request for information is an important step, it is equally critical to recognize that the absence of a coherent federal framework has resulted in a patchwork of state-level policies, threatening America's global leadership in AI.

To date, states have introduced more than 1,000 bills related to artificial intelligence, largely driven by a desire to demonstrate proactive governance. However, this rapid and fragmented legislative activity risks creating conflicting and uneven regulatory environments across the nation. Such inconsistency could disproportionately burden startups, discourage private investment, and stifle innovation. In the absence of federal oversight, states such as California could effectively establish de facto national standards, regardless of whether those standards serve the broader public interest or align with the needs of other states.

This reality underscores the need for a temporary federal moratorium on new AI-related regulations until a consistent national framework is established. A moratorium would not infringe upon state authority; rather, it would provide a coordinated baseline to ensure regulatory consistency, prevent legal fragmentation, and give innovators a predictable environment in which to operate.

Rapid implementation of AI within federal agencies is also vital for strengthening national competitiveness and modernizing administrative processes. These efforts must, however, preserve transparency, accountability, and responsiveness to Freedom of Information Act (FOIA) requests.<sup>1</sup>

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<sup>1</sup> "Policies & Priorities." n.d. [www.cio.gov. https://www.cio.gov/policies-and-priorities/Executive-Order-13960-AI-Use-Case-Inventories-Reference/](https://www.cio.gov/policies-and-priorities/Executive-Order-13960-AI-Use-Case-Inventories-Reference/).

As of December 16, 2024, federal agencies reported over 1,700 AI use cases current and planned.<sup>2</sup> The top three categories include mission-enabling applications (internal agency support), health and medical innovations, and government services, which encompass benefits and service delivery. According to the Office of Management and Budget (OMB), generative AI use cases have increased nearly nine-fold, from 32 in 2023 to 282 in 2024.<sup>3</sup> This surge demonstrates both the promise of AI and the need for clear, consistent federal guidance to accelerate responsible adoption.

Maintaining U.S. competitiveness in AI is essential to sustaining global leadership. Economic theory, from Joseph Schumpeter's concept of *creative destruction* to recent Nobel Prize-winning research on innovation, shows that competition drives progress by replacing outdated and inefficient systems with newer, more effective technologies, ultimately raising living standards. A stable and innovation-friendly regulatory environment is essential for this process to flourish.

Regarding the AI Diffusion Act, we note the distinction between two key developments. The rescinded Biden-era AI Diffusion Rule, issued by the Department of Commerce, imposed export controls on advanced AI chips to prevent adversarial use but was withdrawn in May 2025. In contrast, the proposed GAIN AI Act would legally require U.S. chipmakers to prioritize domestic orders for advanced processors before fulfilling foreign contracts. Though these measures aim to protect national security, they highlight a deeper challenge: crafting stable, principled policies that trust innovation and American talent to keep the nation secure.<sup>4</sup> To stay competitive and lead at the edge of the tech frontier, we need strong competition, open access to international markets, and the freedom to be the partner of choice around the world. Embracing openness and innovation will ensure America remains first in this race.

Without clear, consistent, and lasting guidance, uncertainty will slow innovation and erode confidence in AI across sectors. The Office of Science and Technology Policy should champion a unified federal framework that unleashes innovation, ensures accountability through transparency, and keeps America leading the world in AI advancement.

Sincerely,

/s/ Mario Ottero

Mario Ottero, Emerging Technology Policy Analyst  
Americans for Prosperity  
[MOttero@afphq.org](mailto:MOttero@afphq.org)

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<sup>2</sup> U.S. Government Accountability Office. 2023. "Artificial Intelligence: Agencies Have Begun Implementation but Need to Complete Key Requirements | U.S. GAO." [www.gao.gov](https://www.gao.gov/products/gao-24-105980). December 12, 2023. <https://www.gao.gov/products/gao-24-105980>.

<sup>3</sup> "GAO-25-107653, ARTIFICIAL INTELLIGENCE: Generative AI Use and Management at Federal Agencies." 2025. [gao.gov](https://files.gao.gov/reports/GAO-25-107653/index.html?_gl=1). 2025. [https://files.gao.gov/reports/GAO-25-107653/index.html?\\_gl=1](https://files.gao.gov/reports/GAO-25-107653/index.html?_gl=1).

<sup>4</sup> Ottero, Mario. "Gain or Lose Act? A Bill That Could Undermine U.S. Innovation." Americans for Prosperity, October 27, 2025. <https://americansforprosperity.org/policy-corner/gain-or-lose-act-a-bill-that-could-undermine-u-s-innovation/>.