

# Executive Order 14365

## Ensuring a National Policy Framework for AI

December 11, 2025

### Overview

On December 11, 2025, The Trump Administration signed Executive Order [Ensuring a National Policy Framework for Artificial Intelligence](#). The Executive Order sets in motion a federal strategy to reduce the patchwork of state AI regulations and establish a unified national approach to AI governance. It utilizes legal, funding, and regulatory levers to challenge, condition, and potentially preempt state AI laws perceived as conflicting with federal priorities.

This marks a clearer federal role in AI policy, moving from earlier drafts to an official directive that outlines actionable steps for federal agencies. It aims to address concerns about varied state regulatory approaches, which some stakeholders have described as potentially complex for innovation and competitiveness.

### Leadership and Ownership

The following bodies are given primary mandates:

- **The Special Advisor for AI and Crypto**, [David Sacks](#) serves as a central White House coordination role, advising agencies on AI policy consistency and participating in evaluations, enforcement considerations, and legislative development.
- The Attorney General, [Pam Bondi](#) is designated as the lead for enforcement and legal review, responsible for establishing and directing the **AI Litigation Task Force** to evaluate and challenge State AI laws that conflict with Federal policy.
- The Secretary of Commerce [Howard Lutnick](#) is designated as the principal implementation authority for evaluating State AI laws, issuing funding-related policy notices (including BEAD program conditions), and coordinating AI policy assessments under existing statutory authorities.
- The Assistant to the President for Science and Technology (APST) [Michael Kratsios](#) is responsible for co-leading the development of legislative recommendations for a uniform Federal AI framework and coordinating science and technology policy alignment.
- The Chairman of the Federal Trade Commission (FTC), [Andrew N. Ferguson](#) is responsible for issuing guidance on how Federal prohibitions on unfair or deceptive practices apply to AI models, including potential preemption of State mandates affecting AI outputs.

### Purpose of Policy

This Executive Order signals a shift toward a more centralized federal approach to AI governance, positioning national consistency as a prerequisite for sustained U.S. leadership in AI development and deployment. Rather than expanding technical mandates, the Administration is prioritizing regulatory coherence—seeking to reduce variability across State AI laws that could complicate compliance, slow adoption, or fragment markets. The Order frames AI not as a narrow IT issue, but as a strategic economic and national-security asset requiring a stable, predictable policy environment to support long-term innovation.

The emphasis is not on constraining AI development, but on establishing baseline Federal guardrails that preserve interstate commerce, protect constitutional principles, and enable continued private-sector investment. This reflects a broader federal intent to move AI policy from advisory guidance into enforceable coordination mechanisms while Congress considers a durable national framework.

## Connection to One Big Beautiful Bill Act

The One Big Beautiful Bill and the Executive Order are designed to work together. The bill allocates \$500 million to modernize legacy federal IT systems using commercial AI and automation and proposes a 10-year moratorium on new State AI regulations. This moratorium would pause States from creating or enforcing new AI rules during that period, providing regulatory stability while federal AI investments are deployed. The Executive Order complements this by addressing regulatory fragmentation, reinforcing a national approach that enables federally funded AI systems to scale consistently across jurisdictions.

## Direction to Government

The Order directs Federal agencies to take an active role in evaluating, coordinating, and enforcing AI policy alignment across jurisdictions. Agencies are expected to assess State AI laws for consistency with Federal objectives, adjust discretionary funding mechanisms where legally permissible, and contribute to the development of uniform reporting and disclosure standards.

The creation of a dedicated AI Litigation Task Force underscores a willingness to use existing legal authorities to resolve conflicts, while parallel actions by Commerce, FCC, and FTC indicate a whole-of-government approach spanning infrastructure funding, transparency requirements, and consumer protection. Collectively, these actions move AI policy oversight from passive observation to structured Federal engagement.

## Industry Opportunity

For AI developers, cloud providers, and technology integrators, the Order introduces greater policy clarity—but also heightened scrutiny. Companies operating across multiple States should anticipate a gradual shift toward Federal standards that preempt conflicting State requirements, particularly in areas affecting model outputs, disclosures, and data practices.

Industry participants may benefit from reduced regulatory fragmentation over time but should also prepare for increased coordination with Federal agencies, especially where funding, infrastructure, or interstate deployment is involved. The Order suggests that future market access will favor AI systems designed with portability, transparency, and constitutional safeguards in mind.

## What to Expect Going Forward

In the near term, stakeholders should expect formal evaluations of State AI laws, new policy notices tied to Federal funding programs, and early signals toward a national AI reporting framework. Longer term, this Order lays the groundwork for Congressional action establishing a uniform Federal AI policy—one that balances innovation, consumer protection, and national competitiveness.

In effect, the Administration is asserting that AI leadership depends not only on technical advancement, but on a coherent policy environment that enables innovation to scale responsibly across the entire U.S. economy. While the EO advances a national policy intent, its real-world impact will be shaped by agency actions, judicial scrutiny, and state responses. Organizations should monitor:

- DOJ task force activities and first legal challenges to state laws
- DOC evaluations and funding condition notices
- FCC/FTC proceedings on federal reporting/disclosure standards
- Congressional engagement on national AI legislation

## Timeline

Date	Focus & Key Provisions
Within <b>30 days</b>	<b>Department of Justice</b> must establish an <b>AI Litigation Task Force</b> to review and, where appropriate, challenge State AI laws that conflict with the national AI policy framework, including those affecting interstate commerce or preempted by Federal law.
Within <b>90 days</b>	<b>Department of Commerce</b> must publish an <b>evaluation of existing State AI laws</b> , identifying those that conflict with Federal policy, compel altered AI outputs, or raise constitutional concerns, while also noting laws that support AI innovation.
Within <b>90 days</b>	<b>Department of Commerce (NTIA)</b> must issue a <b>Policy Notice</b> outlining conditions under which States remain eligible for certain BEAD program funds, including restrictions tied to identified State AI laws, consistent with Federal authority.
Within <b>90 days</b>	<b>Federal agencies</b> must review discretionary grant programs to assess whether funding conditions may be applied related to State AI laws during grant performance periods.
Within <b>90 days (post-evaluation)</b>	<b>FCC</b> must initiate a proceeding to consider a <b>Federal AI reporting and disclosure standard</b> that may preempt conflicting State requirements.
Within <b>90 days</b>	<b>FTC</b> must issue a policy statement clarifying how unfair or deceptive practices law applies to AI models, including when State mandates may be preempted.
Ongoing	<b>White House AI leadership</b> must develop <b>legislative recommendations</b> for a uniform Federal AI framework, with explicit carve-outs for child safety, infrastructure, State procurement, and related areas.

## Contact Us:

Email: [Research@carahsoft.com](mailto:Research@carahsoft.com)

### See more from the Carahsoft Team:

To explore our catalog of federal, state, and local technology policies, executive orders, and directives shaping public sector modernization scan this QR code.

