

President Trump Signs Law with Over \$1 Billion of AI Funding, and US Rescinds Chip Export Restrictions to China — AI: The Washington Report

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VIEWPOINT TOPICS

- Artificial Intelligence
- AI: The Washington Report

- On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act, which allocates over \$1 billion toward advancing the federal government's use of AI.
- The funding package reinforces the administration's broader AI strategy, directing federal investments toward federal government operations, while signaling increased support for private-sector AI innovation.
- On July 2, the Department of Commerce informed three of the world's largest electronic design automation (EDA) software developers that the export controls imposed against China in May on advanced chip-design software had been lifted.
- This rollback allows companies to resume access to previously restricted exports on chip-design software and technologies to China.

President Trump Signs Law with Over \$1 Billion of AI Funding

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act, a legislative package that allocates over \$1 billion in investments in the federal government's use of AI. As [we've reported](#), the package will earmark funding over the next five years for the following efforts:

- \$450,000,000 for the application of AI for naval shipbuilding
- \$124,000,000 for improvements to AI at the Test Resource Management Center
- \$250,000,000 for the expansion of Cyber Command AI lines of effort
- \$200,000,000 for the deployment of AI "to accelerate the audits of the financial statements of the Department of Defense"

The new funding marks a continuation of the Trump administration's efforts to promote and integrate the use of AI into federal government operations. As [we've covered](#), the White House, in April, rescinded requirements that could limit or delay federal agencies' adoption of AI. During his first week in office, President Trump also issued an Executive Order directing his top AI officials to develop a comprehensive AI Action Plan for the federal government, which is due by July 22, 2025.

US Rescinds Chip Design Software Export Restrictions to China

On July 2, the US Department of Commerce notified three of the world's largest electronic design automation (EDA) software developers that "the export restrictions related to China, pursuant to a letter [issued] on May 29, 2025, have now been rescinded, effective immediately." The original restrictions, announced in late May, limited the export of advanced chip-design software, aiming to curb China's access to technology critical to chip design powering AI and advanced computing. Electronic design automation (EDA) is vital for designing semiconductors that power a wide range of technologies — from smartphones and computers to automobiles and the data centers that train and operate AI models.

Following the reversal of export restrictions on chip-design software to China, the affected EDA software developers have begun restoring access to previously restricted software and tools in China.

The rollback of chip-design software export restrictions is the latest in a series of actions by the Trump administration that reflect its evolving approach to AI policies. These steps highlight a broader strategy focused on maintaining US competitiveness in AI and semiconductor development, while reinforcing the administration's efforts to align national security measures with domestic AI development goals and private sector growth.

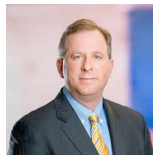
We will continue to monitor, analyze, and report on developments in the Trump administration's AI policies, including the forthcoming AI Action Plan, which is reportedly due by July 22, 2025.

Authors

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