ML STRATEGIES

AI: The Washington Report — August 2026 Edition

August 07, 2026 | Article | By **Alexander Hecht**, **Traci L. Vitek**, **Erek L. Barron**, John McEachern

VIEWPOINT TOPICS

- AI: The Washington Report
- Artificial Intelligence

Main Points

- **GOLD EAGLE Initiative.** The Trump administration launched an AI-driven, public-private clearinghouse to accelerate vulnerability detection and patching across critical infrastructure, giving industry an early window to shape its still-unsettled terms.
- **Genesis Mission Funding.** The administration committed over $5 billion across 15+ federal agencies to embed AI into national scientific research, signaling major new federal demand and partnership opportunities for AI, life sciences, energy, semiconductor, and defense companies.
- **OSTP Releases "Science: A New Golden Age" Report.** OSTP released a companion report outlining the broader policy architecture behind the Genesis Mission and related AI-in-science initiatives, organized around revitalizing the science enterprise, securing US dominance in critical technologies, ensuring science benefits all Americans, and launching a new golden age of science.
- **Clinical AI Benchmarking Sprint.** The White House and HHS are convening outside experts in a one-month sprint to develop consensus principles for benchmarking and evaluating clinical AI, responding to stakeholder demand for clearer, standardized metrics for judging clinical AI tools.
- **FTC AI Accuracy Policy Statement.** The FTC signaled it will use existing Section 5 deception authority to police undisclosed AI output steering, exposing companies to enforcement risk even when alterations are made to comply with state AI laws.
- **GAAIA Discussion Draft.** A bipartisan federal AI framework remains stalled amid preemption opposition, leaving businesses to keep navigating a fragmented state-by-state compliance landscape for now.
- **Senate Commerce Hearing on AI and Telecom.** The Senate Commerce Subcommittee held a hearing examining how AI is transforming telecommunications networks, with industry witnesses urging permitting reform as the top priority for deploying AI-ready fiber infrastructure.
- **Illinois AI Safety Measures Act.** Illinois became the first state to mandate independent third-party safety audits of frontier AI models, raising the compliance bar beyond the disclosure-only regimes of California and New York.
- **Colorado Chatbot Safety Act.** Colorado became the first state to regulate AI chatbots specifically to protect minors, signaling a broader trend toward narrower, use-case-specific state AI regulation.

White House Executive Actions

1. White House Launches GOLD EAGLE Initiative for Cybersecurity Vulnerability Coordination

On July 14, the Trump administration launched "GOLD EAGLE," a new public-private clearinghouse, pursuant to Section 2(d) of **Executive Order No. 14409**, "Promoting Advanced Artificial Intelligence Innovation and Security," which President Trump signed on June 2. The initiative is jointly implemented by the Departments of the Treasury, Homeland Security (DHS), and Defense (DOD), in collaboration with AI developers, open-source software providers, and critical infrastructure operators. The program is established to function as a "force multiplier" that accelerates detection of exploits by applying frontier AI models to vulnerability data and distributes prioritized threat and remediation information to government and private-sector defenders.

Why it matters: GOLD EAGLE signals the Trump administration's push to formalize a centralized, AI-driven approach to how quickly issues like software flaws are found and fixed. It would also provide an early window for companies and industry groups to help shape the program's terms through engagement with the Treasury, DHS, and DOD.

2. White House Announces More than $5 Billion for the Genesis Mission

On July 22, Assistant to the President and Director of the White House Office of Science and Technology Policy (OSTP) unveiled more than $5 billion in federal commitments expanding the Genesis Mission alongside a slew of National Science and Technology Challenges. The Genesis Mission, established in November by President Trump's Executive Order No. 14363, is a government initiative aimed at harnessing artificial intelligence to accelerate scientific research and discovery on a national scale.

Where is the funding going?

- **"Helping Americans Live Longer, Healthier Lives."** Funding supports HHS, DOE, NSF, EPA, VA, and the Department of Defense in combining health data, genomic datasets, and DOE supercomputing to uncover the causes of chronic disease and pediatric cancer, accelerate drug discovery, and improve early disease detection for veterans.
- **"Delivering Reliable Infrastructure and Energy Affordability."** DOT, DOE, and the Department of the Interior will use AI-driven digital twins and data integration to modernize infrastructure and the power grid while strengthening stewardship of natural resources like critical minerals and water.
- **"Building American Industrial Strength."** DOE, DOD, HHS, NSF, and other agencies will deploy AI across three industrial priorities — semiconductor R&D and advanced microelectronics manufacturing; bio-based scale-up of fuels, chemicals, and critical minerals; and accelerated design and certification of weapons components — aiming to compress timelines, restore domestic production capacity, and reinforce national security supply chains.
- **"Extending the Frontiers of American Discovery."** NASA, DOE, HHS, NSF, NIST, and DOD will fund AI-driven analysis of space and scientific data, autonomous laboratories, quantum computing development, and predictive modeling of biological systems and new materials.
- **"Protecting the Nation from Emerging Threats."** A range of agencies will apply AI to detect and attribute biological threats and to accelerate materials testing and forensic attribution capabilities for nuclear security.

Why it matters: This financial commitment signals that the administration views AI as a matter of national coordination, with more than 15 federal agencies directing funding, data, and infrastructure toward AI-driven science. For companies in AI, life sciences, energy, semiconductors, and defense, the funding signals significant new federal demand and partnership opportunities. This also indicates that federal research priorities and funding streams are shifting toward AI-ready systems and mission-driven challenges, which businesses seeking federal grants will need to track.

3. OSTP Releases "Science: A New Golden Age" Report

On July 21, OSTP released a companion report outlining the broader policy architecture behind the Genesis Mission and related AI-in-science initiatives. The report is organized around four chapters:

- Revitalizing America's Science and Technology Enterprise (e.g., refocusing support on individual scientists, diversifying funding mechanisms).
- Securing US Dominance in Critical and Emerging Technologies (e.g., public-private partnerships, technology challenges).
- Ensuring that Science and Technology Better the Lives of All Americans (e.g., training and career pathway investments).
- Launching a New Golden Age, with the Genesis Mission as a central vehicle.

4. HHS/OSTP/FDA/ONC Convene a Clinical AI Benchmarking "Sprint"

The White House and HHS are convening outside experts to work toward a consensus set of principles for benchmarking and evaluating clinical AI. The initiative is jointly run by OSTP, FDA, and the Office of the National Coordinator for Health Information Technology (ONC).

It is structured as a one-month "sprint" with a written-submission phase followed by a discussion phase. The effort responds to a theme that has surfaced repeatedly in HHS's public AI engagement this year: stakeholders want clearer, standardized metrics for judging whether a clinical AI tool is "good."

5. FTC Proposes Policy Statement on Suppression of Accuracy in AI Systems

On July 1, the FTC proposed a policy statement concerning the suppression of accuracy in artificial intelligence systems. The statement argues that AI companies violate Section 5 of the FTC Act's prohibition on deceptive practices when they "steer the outputs of their AI Systems toward unexpected objectives, and away from the objectives set by or reasonably expected by users."

The FTC's legal reasoning is as follows:

- The Commission starts from its long-standing statutory authority under Section 5 of the FTC Act that prohibits "unfair or deceptive acts or practices in or affecting commerce" and contains no state-law safe harbor — meaning AI companies must comply with Section 5 even where a state law shapes their conduct.
- Applies the three-part deception test — a representation, omission, or practice likely to mislead a reasonable consumer that is also material to the consumer's decision.
- The Commission finds that AI companies' marketing representations, which claim "that their AI systems aim to produce the best output possible given technological and resource constraints," create a consumer expectation of accuracy. Therefore, covertly steering outputs toward ideological or other objectives satisfies all three elements of deception.
- Motive is irrelevant to Section 5 liability, and conflicting state law is preempted, which means state-law compliance is no defense, leaving only clear and conspicuous disclosure as a way to lawfully alter outputs.

Why it matters: This signals the FTC has used, and will continue to use, its existing Section 5 deception authority to police AI companies that deceptively steer outputs, even alterations made to satisfy state laws like Colorado's AI Act. For businesses building, deploying, or procuring AI systems, this statement raises enforcement concerns. Any undisclosed steering away from accuracy-focused marketing claims can expose companies to FTC deception claims.

Federal Congressional Activity

6. GAAIA (Great American AI Act) Remains a Discussion Draft

As previously reported, Reps. Jay Obernolte (R-CA) and Lori Trahan (D-MA) released the nearly 270-page draft on June 4. Its core provisions include a three-year federal preemption of state laws "specifically regulating the development" of AI models, transparency and third-party audit requirements, codification of the Center for AI Standards and Innovation, and provisions on cybersecurity, workforce, impact reporting, and whistleblower protections. As of the most recent commentary, many people believe the current draft is unlikely to pass out of committee, given opposition from parts of the industry and from leaders of the House Democratic AI Task Force, which reportedly "framed itself in opposition hours after the draft's release."

Why it matters: GAAIA represents a serious bipartisan attempt at a comprehensive federal AI framework, and its preemption fight will determine whether the US moves toward a single national standard or continues to rely on a state-by-state patchwork, like Illinois's S.B. 315 and Colorado's Chatbot Safety Act. For businesses, the outcome carries real stakes either way: passage could simplify compliance by displacing overlapping state development rules with one federal regime, while continued stalemate (which many observers currently expect) means companies must keep building compliance programs for multiple, sometimes conflicting, state frameworks.

7. Senate Commerce Hearing on AI and Telecom

On July 30, the Senate Commerce Subcommittee on Telecommunications and Media held a hearing titled "Intelligent Networks: Powering Artificial Intelligence and Transforming Communications," chaired by Sen. Deb Fischer (R-NE). Industry witnesses — USTelecom CEO Jonathan Spalter, Nebraska PSC Commissioner Dan Watermeier, and Cisco Chief Architect Bob Everson — argued that outdated permitting processes are the primary barrier to deploying AI-ready fiber infrastructure, and urged Congress to establish consistent timelines for approvals. Vanderbilt Policy Accelerator's Asad Ramzanali provided the lone counterweight, warning that unconnected Americans are being excluded from AI's economic benefits.

Why it matters: This hearing signals that permitting reform will be a top legislative priority for the telecom industry heading into the fall, with bipartisan support emerging for deployment "shot clocks." For clients in the broadband and AI infrastructure space, the window to shape permitting legislation is now open. However, the hearing also exposed significant policy gaps: cybersecurity mandates, spectrum allocation, and energy grid strain from data centers remain unresolved and may resurface when the Commerce Committee takes up broader AI legislation after recess.

State-Level Developments

8. Illinois S.B. 315 Signed into Law

On July 6, Gov. J.B. Pritzker signed into law the Artificial Intelligence Safety Measures Act (**S.B. 315**), with the House passing the bill unanimously on May 27. S.B. 315 is the first state law to require annual independent third-party audits of frontier AI models' safety practices. The bill targets the largest frontier developers, those with over $500 million in annual revenue, developing models above a specified computational power threshold.

Key requirements include:

- Creation and publication of safety frameworks, with annual update
- Pre-deployment transparency reports
- Reporting of critical safety incidents within 72 hours
- Whistleblower protections
- Filing of disclosure statements with primary contacts and places of business
- Payment of proportional fees to cover administration of the Act

The Illinois attorney general would have exclusive enforcement authority, with civil penalties of up to $3 million per violation. The bill does not create a private right of action. The legislation is modeled after 2025 laws in California and New York, with Illinois being the first to require third-party audits.

Why it matters: S.B. 315 matters for AI regulation and state oversight because it moves beyond the disclosure-only approaches of California and New York toward genuine external verification rather than self-policing.

9. Colorado Chatbot Safety Act Signed Into Law

On July 1, Gov. Jared Polis signed into law H.B. 26-1263, the Chatbot Safety Act. Its aim is to protect users, especially youth, from the demonstrated harms of AI technology.

Companies must meet baseline requirements for all users and additional protections for minors under 18:

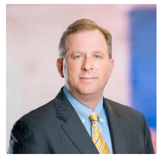
All Users	Users Under 18
Regularly disclose to users that they are interacting with artificial intelligence	Prevent conversational AI from generatin encourage a minor to become emotio chatbot
Adopt a protocol to respond to users expressing suicidal ideation or self-harm, including providing referrals to appropriate crisis services	Prohibit gamification to increase engag
Prevent the conversational AI service from indicating that it is designed to provide professional mental or physical health care, financial planning, or accounting services	Prevent the conversational AI service f explicit content or encouraging the use explicit content
	Provide tools to minors and their paren and account settings of a mi

The Act takes effect January 1, 2027. This makes Colorado the first state to enact chatbot-specific AI legislation aimed at protecting minors from psychological and safety harms, distinct from broader frontier-model transparency and audit requirements.

Why it matters: This Act marks a shift away from broader state AI regulation toward a narrower, harm-specific disclosure, signaling that states may increasingly regulate AI by discrete use cases (chatbots).

We will continue to monitor, analyze, and issue reports on these developments. Please feel free to contact us if you have questions about current practices or how to proceed.

Authors



Alexander Hecht, Executive Vice President & Director of Operations

Alex Hecht is a trusted attorney and policy strategist with over 20 years of experience advising clients across a broad range of industries on how to navigate complex policy environments. His strategic insight and hands-on experience in both legislative and regulatory arenas empower clients to advance their priorities with clarity and confidence in an evolving policy landscape.

Traci L. Vitek, Senior Vice President

Traci L. Vitek, Senior Vice President at ML Strategies in Washington, DC, advises clients on federal health care policy, legislative strategy, and executive branch engagement.

Erek L. Barron

Erek L. Barron, a Member at Mintz, is a nationally respected former United States Attorney and seasoned litigator with more than two decades of experience handling complex criminal, civil, and regulatory matters, including leading significant white collar crime, cybercrime, and national security cases.

John McEachern