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Trump 2.0 Week 1 Tech Policy Rundown: Pivot on AI but Data Rules Stand

The new administration signals dramatic shift in AI policy, but rules on children's and other sensitive data largely remain in place.

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It would be an understatement to say that the Trump administration has had a busy first week. Within just a few hours of the new administration coming into power, it repealed a number of Biden-era executive orders across a wide range of policy issues and contemporaneously signed a flurry of new executive orders. The level of rapid-fire activity was no different on the privacy and artificial intelligence (AI) fronts: Repeals, new executive orders, and shake ups within the executive agencies that manage regulation of privacy and AI on a day-to-day basis will significantly affect organizations. Clearly, the new administration is pursuing a starkly different approach to AI, emphasizing investment, speed, and innovation over the previous administration's safety-first doctrine.

Repealed Measures

- **Biden's executive order on AI**. As widely expected, one of the first casualties of the new administration was Biden's executive order on the "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence." While Trump repealed the executive order on his first day in office, some of its downstream offshoots may be here to stay. Under the Biden-era order, government agencies sprinted to study AI's impact across a number of sectors and policy issues — and have already published reports establishing new institutions and guidelines. The NIST-housed, national-security focused AI Safety Institute, which was launched last year, as well as an AI safety framework from DHS released days after the election, remain in place for now. However, the order rescinds previously mandated safety assessments for AI systems posing risks to national security, the economy, or public health before their public release. While Washington strikes a deregulatory tone, states have already begun to fill the gap, with the California Privacy Protection Agency's proposed regulations, if finalized as expected this year, poised to lead the state-level charge on AI safety and risk assessments.

What's New

- **A new executive order on AI**. President Trump signed his own executive order on AI, "Removing Barriers to American Leadership in Artificial Intelligence." This directive marks a stark shift in the US government's approach to AI development, prioritizing rapid innovation and reduced regulatory constraints. Notably, the order mandates the creation of an action plan within 180 days to maintain US leadership in AI. Federal agencies are instructed to review and potentially suspend, revise, or

rescind actions stemming from previous directives that conflict with the new policy objectives. The new order emphasizes the importance of developing “AI systems that are free from ideological bias or engineered social agendas.” To fuel the push for AI innovation, Trump announced, in a joint venture called Stargate, \$500 billion in private investments for the development of AI data centers.

What Survived

- **Biden’s executive order restricting foreign access to sensitive data** . Focused on national security and competition with China, both landmark Trump policies, a Biden-Era order that passed early last year, titled “Preventing Access to Americans’ Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern” has remained in effect. The Department of Justice pushed through the final rule under the order at the end of 2024. This order aims to mitigate national security risks associated with any access by foreign adversaries — including China, as well as companies, employees, vendors, or investors under their control — to health, financial, and genomic information as well as precise geolocation data about US persons. The rules prohibit organizations from transferring human genomic data concerning more than 100 individuals; health or financial data on more than 10,000 people; and precise geolocation data from more than 1,000 devices to countries of concern or entities under their control. These rules will have a significant impact on organizations across a wide range of industries, but they will perhaps most notably affect organizations in life sciences that rely on the transfer of information globally to develop new medical and pharmaceutical research and technologies.
- **The new COPPA rule has passed but is on ice for the time being.** On January 16, 2025, the FTC adopted its long-awaited amendments to the Children’s Online Privacy Protection Act (COPPA) Rule. However, the same day, new FTC Chair Andrew Ferguson issued a concurring statement regarding the rule, ultimately supporting it but identifying a number of concerns with regard to parental consent for third-party disclosures, data retention limitations, and age verification practices, noting that these changes may “unnecessarily diminish competition,” generate “outcomes hostile to users,” and necessitate clearer guidelines on collecting children’s personal information “solely for age verification purposes.” While we do not expect the Rule to completely unravel, to this day, it has not been published in the Federal Register.
- **The FTC’s focus on AI — with a different approach** The FTC had a banner year on AI regulation in 2024, with a number of enforcement actions that emphasized transparency, accountability, and consumer protection targeting deceptive practices and harmful biases in AI systems. Chair Andrew Ferguson has criticized overly restrictive policies, advocating for innovation-friendly regulation that balances safety with competition concerns, mostly regarding the potential for Big Tech to “blunt any potential competitive threats” via control imposed on “AI innovators.” Commissioner Melissa Holyoak has supported a pragmatic approach to AI regulation, focusing on measurable rather than “speculative” harms. Both have highlighted the need for clear, enforceable standards, suggesting future FTC actions may prioritize practical safeguards over preemptive constraints.
- **Rohit Chopra as head of the CFPB — for now; PCLOB Democrats shown the exit** At the end of the first week of the new administration and in the wake of the firing of a large number of bureaucrats, commentators have been surprised to see a particular agency head’s position still intact: Rohit Chopra, chair of the Consumer Financial Protection Bureau (CFPB). Reportedly, a number of individuals have been offered the role but turned it down for other opportunities. FTC Commissioner Melissa Holyoak’s name has reportedly been floated for the role, but considering that FTC bylaws bar commissioners from taking on additional work and that a move from the FTC would result in Democratic control of the Commission until more Republicans could be confirmed, this seems unlikely for now. Meanwhile, the CFPB has remained busy with numerous lawsuits and ongoing rulemaking that were brought or finalized, respectively, in the final days of the Biden administration.

Meanwhile, President Trump dismissed the three Democrats on the Privacy and Civil Liberties Oversight Board (PCLOB), including the chair, Sharon Bradford Franklin, and members Ed Felten and Travis LeBlanc. The existence and functioning of the PCLOB played a role in cementing the “EU-U.S. Data Privacy Framework,” which may now be strained by heightened trade tensions and voices in the new administration calling for the US government to push back against European tech regulation, which was seen by some as targeting Silicon Valley.

What Happens Next

The Trump administration's approach to privacy and AI regulation so far has, as expected, prioritized innovation by minimizing regulatory barriers, aiming to bolster US leadership in AI on the global stage. This strategy has begun to shift regulatory focus away from preemptive safety measures and toward market-driven solutions, potentially reshaping domestic AI governance — with global implications. Meanwhile, federal-level sectoral privacy regimes may pivot priorities as new leadership at the FTC — and possibly at some point the CFPB — begins to implement continuously incoming guidance from the White House. Expect state lawmakers and attorneys general to rush into any tech policy space vacated by the federal government.

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