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New York State Comments in Response to the Request for Information on the Development of an Artificial Intelligence Action Plan

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Mr. D'Souza,

I am pleased to submit comments in response to the *Request for Information on the Development of an Artificial Intelligence (AI) Action Plan* (Docket No. 2025-02305). As a global leader in AI and related technologies, New York has driven advancements that have furthered America's national and economic security, expanded the safe deployment and use of AI, created high-quality jobs, and expanded access to high performance computing systems. New York is home to world-renowned research institutions, pioneering AI companies, and a thriving innovation ecosystem that has led to increased economic productivity thanks to transformative breakthroughs in AI, semiconductors, quantum networking and computing. New York is also home to world leading defense industrial base companies, national laboratories, and critical military installations, and we share the goal of ensuring America's leadership in AI continues to grow.

New York is currently leveraging over \$400 million in public and private commitments to lead the way in AI research and innovation for the public good through the first-in-the-nation Empire AI Consortium. Empire AI unites 7 private and public research institutions building a high performance computing facility for research into AI to solve societal challenges, and is poised to expand. Our leadership is also reinforced by our actions to promote AI that drives innovation, increases operational efficiencies, and better serves New Yorkers, while protecting privacy, managing risk, and promoting accountability and safety. New York's Emerging Technology Advisory Board, an independent group of industry and nonprofit leaders, is helping further our commitment to making New York the capital of responsible development and use of AI and emerging technologies. Governor Hochul is ensuring people from all communities are included in the AI revolution, and this year will launch programs to train and place students into AI jobs, and fund AI startup founders. We are firmly committed to ensuring that AI technologies can be used safely, especially by children who may be more easily exploited.

We are committed to furthering innovation and efficiency in government. This year, we are establishing a dedicated office to support agencies by providing internal consulting, centralized project support, and

performance tracking, especially where AI can increase the speed and effectiveness of government services. We are deploying AI training to the state workforce, including on how AI tools can be used to improve productivity and drive efficiency. New York's innovation agenda has catalyzed major public and private investments, transforming New York's economy and creating good-paying jobs.

GlobalFoundries recently announced an \$11.6 billion investment to expand its chip manufacturing campus in New York's Capital Region, creating 1,500 direct jobs and thousands of indirect jobs. In 2022, Micron announced a 20-year, \$100 billion investment to create a semiconductor fabrication campus in Central New York, creating 50,000 new direct and indirect jobs and unlocking hundreds of millions of dollars in community benefits. In 2024, IBM unveiled the world's first-ever IBM quantum computer on a university campus at Rensselaer Polytechnic Institute, complementing a world-leading research facility and accelerating quantum computing research, workforce development, and education.

As the federal government develops an AI Action Plan, we urge the Administration to prioritize the following three areas: Global Competitiveness and Commercialization, Intellectual Property and Research Security, and Energy Innovation and Sufficiency.

Global Competitiveness and Commercialization

The U.S. must lead in AI development and commercialization to maintain economic, technological and security advantages. Global competition, particularly from China, necessitates unified, whole of government support and coordination. Efforts are underway to strengthen the position of the U.S. as a global leader in AI, with various initiatives aiming to drive AI adoption across industries, cultivate a strong startup ecosystem, and attract investment into AI-driven enterprises. Action on applied AI is particularly imperative, with AI applied to industry verticals and AI hubs clustered by application area having greater ability to generate commercialization, industry adoption, and further American leadership globally. Recognizing the need for AI research and infrastructure, federal and state level initiatives have sought to establish advanced AI computing centers and research consortia.

In order to accelerate the translation of AI research into real-world applications, federally backed research partnerships between leading public and private universities, national laboratories, and private-sector leaders must be established and strengthened. Federal grant programs and tax incentives should be expanded to encourage AI researchers and startups to collaborate with industry partners. AI startups should be supported through applied AI incubators and accelerators connected to industry verticals—such as AI Accelerator for Healthcare or AI Incubator for Finance—offering targeted funding, mentorship, and regulatory guidance to fast-track AI entrepreneurship. The development of an AI innovation hub that connects government agencies, research institutions, and private-sector partners would further establish a cohesive and collaborative AI ecosystem while fostering open communication.

Intellectual Property and Research Security

U.S. AI research and intellectual property (IP) are prime targets for nation state and corporate espionage. The U.S. must set new and better national standards in IP protection by continuously strengthening its legal frameworks and contract protections, including by enhancing the protections around the creation and use of digital replicas of an individual's voice or likeness, like New York did this year. Foreign adversaries and competitors are accelerating efforts to acquire U.S. breakthroughs. Protecting AI innovation is critical for protecting technological leadership, economic security, and national security. Higher education institutions play a critical role in transforming cutting-edge research

into marketable innovations. As AI development accelerates worldwide, global competition for AI-related patents is intensifying. With China currently leading in international patent filings, the U.S. should bolster innovation, attract top-tier AI research, and deter unauthorized use by reinforcing American and international patent ecosystems.

The federal government should expand funding and resources for university Technology Transfer Offices (TTOs) across research institutions, national laboratories, and universities. Strengthening TTO capabilities will provide AI inventors and researchers with clearer pathways to secure and commercialize their innovations, reducing the risk of premature IP leakage to foreign competitors. The U.S. must implement comprehensive risk awareness training and secure collaboration protocols to minimize unauthorized access to sensitive AI innovations.

The federal government should take the lead in modernizing IP laws to address AI-generated content, ownership rights, licensing models, and enforcement mechanisms. This includes expanding interagency cooperation between the Department of Justice, Department of Homeland Security, Department of Commerce, Office of the U.S. Trade Representative, Department of the Treasury, Department of Defense, and the Office of the Director of National Intelligence, who all play critical roles in combating AI-related IP theft and economic espionage.

Energy Innovation and Sufficiency

AI's energy demands are significant and meeting them is vital for America's future. We must have the energy technology innovation we need to enable American leadership in AI. Many leading technology companies increasingly recognize the need for reliable, secure, low-carbon energy sources to meet increased data center energy demands. This will likely require significant base load power generation. Nations across the world are adopting initiatives to develop energy infrastructure to meet energy needs throughout the lifecycle of AI and other emerging technologies. Nuclear power should continue to be considered a viable, long-term solution to support not only AI but also future energy demand of quantum computing, semiconductors, and other industries and manufacturing. New York is leading a multi-state consortium to drive nuclear energy deployment and is beginning a process to create a Master Plan for Responsible Advanced Nuclear Development in New York. These and other states' efforts to evaluate advanced nuclear technologies reflect a growing commitment to energy resilience, a reduced environmental footprint, and the sustainable growth of AI-driven economies.

In order to better compete, the U.S. should establish a comprehensive national strategy to ensure AI's growing energy demands align with energy innovation and security goals. Efforts should be planned and aligned with the deployment of new, clean base load facilities with growing electricity demand across the country. A national strategy should also ensure the development of durable supply chains that drive down deployment costs for future innovative energy projects. Federal agencies, in partnerships with national laboratories, private-sector leaders, and research institutions, should expedite the development and deployment of small modular reactors (SMRs) and next-generation nuclear technologies. To drive AI-energy efficiency advancements, the U.S. should establish a federal AI-Energy Innovation Fund, providing grants, tax incentives, and research and development partnerships for companies developing AI-driven energy solutions.

The federal government should also co-locate AI data centers with clean, base load power sources by incentivizing the development of AI-energy innovation zones, in a similar model to the United Kingdom's

AI growth zones. Critically, this co-location and industry buy-in can reduce grid investment costs that would otherwise be needed and prevent costs from being borne by other residential or commercial ratepayers. Private-sector investment in AI-driven energy solutions should serve as the forefront for cost reductions in other critical sectors, ensuring that the same advances in energy infrastructure that power AI can also make electricity more affordable for manufacturing, housing, and other cost-sensitive industries.

As AI's electricity demands surge, the U.S. should prioritize cost-effective grid investments, including new transmission, AI-powered energy load balancing, and predictive analytics to improve efficiency and prevent grid overload. A federal AI-Energy Council should be created to guide responsible AI energy expansion, ensuring that AI's rapid growth aligns with national energy security.


Conclusion

New York stands ready to continue collaborating with the federal government to ensure AI remains a force for good, driving economic prosperity and strengthening America's position as the global leader in AI and broader emerging technologies. However, we caution against policies that undermine the foundation of American innovation. Cuts to federal funding for scientific research and universities threaten the talent pipeline that fuels AI advancements. Efforts to roll back or undermine the CHIPS Act would directly harm the nation's ability to secure a resilient semiconductor supply chain, a critical component of AI development.

New York is focused on stepping forward. Researchers are already leveraging the Empire AI Consortium to conduct groundbreaking research which will make life better for everyday New Yorkers and further America's lead in AI. Governor Hochul's historic Green CHIPS legislation is an example of how state governments can leverage federal partnerships to grow and expand next generation research, development and manufacturing. As a direct result of working collaboratively, New York State's drive to be the home of semiconductors has led to a \$10 billion partnership to bring next-generation chips research to NY CREATES' Albany NanoTech Complex.

The United States has a unique opportunity to continue to lead the world in AI, but this requires sustained investment, strategic policymaking, and close coordination between federal, state, research institutions, and private-sector partners. New York looks forward to continuing to work to build an AI future that is globally competitive and welcomes collaboration with the Trump Administration to advance those goals.

Sincerely,



Kathryn Garcia
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New York State