

October 27, 2025

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Director
Office of Science and Technology Policy
Executive Office of the President
1650 Pennsylvania Avenue NW
Washington, DC 20502

RE: Comments of ACT | The App Association Regarding OSTP’s Request for Information on Identifying Federal Regulations that Hinder AI Innovation [Docket No. OSTP-TECH-2025-0067]

ACT | The App Association (App Association) appreciates the opportunity to submit views to the Office of Science and Technology Policy (OSTP) in response to its *Request for Information on Identifying Federal Statutes, Regulations, and Administrative Processes that Hinder Artificial Intelligence (AI) Innovation*. The App Association is committed to accomplishing policy actions needed to sustain and enhance America’s AI leadership and to ensure that unnecessarily burdensome or outdated regulatory frameworks do not hamper private-sector AI innovation.

The App Association represents thousands of small business software application development companies and technology firms that create the technologies that drive internet of things (IoT) use cases across consumer and enterprise contexts. Today, the value of the ecosystem the App Association represents—which we call the app economy—is valued at \$1.8 trillion and is responsible for 6.1 million American jobs, while serving as a key driver of the \$8 trillion IoT revolution.¹ Alongside the world’s rapid embrace of mobile technology, our members create the innovative solutions that power IoT across modalities and segments of the economy. The National Artificial Intelligence Research and Development Strategic Plan, and the efforts of numerous agencies with respect to AI policy and regulation, directly impact the app economy. We support the Administration’s goal of sustaining and enhancing America’s AI dominance in order to promote human flourishing, economic competitiveness, and national security.²

AI is an evolving constellation of technologies that enable computers to simulate elements of human thinking – learning and reasoning among them. An encompassing term, AI entails a range of approaches and technologies, such as machine learning (ML) and deep learning, where an algorithm based on the way neurons and synapses in the brain change due to exposure to new inputs, allowing independent or assisted

¹ ACT | The App Association, State of the App Economy (2022), <https://actonline.org/wpcontent/uploads/APP-Economy-Report-FINAL.pdf>.

² *Id.*

decision making. AI-driven algorithmic decision tools and predictive analytics are having, and will continue to have, substantial direct and indirect effects on Americans. Some forms of AI are already in use to improve American consumers' lives today – for example, AI is used to detect financial and identity theft and to protect the communications networks upon which Americans rely against cybersecurity threats.

Moving forward, across use cases and sectors, AI has incredible potential to improve American consumers' lives through faster and better-informed decision making, enabled by cutting-edge distributed cloud computing. As an example, AI-enabled healthcare treatments stand poised to improve disease prevention and conditions, as well as efficiently and effectively treat diseases through automated analysis of X-rays and other medical imaging. AI will also play an essential role in self-driving vehicles and could drastically reduce roadway deaths and injuries. From a governance perspective, AI solutions will derive greater insights from infrastructure and support efficient budgeting decisions.

Today, Americans encounter AI in their lives incrementally through the improvements in computer-based services, typically in the form of streamlined processes, image analysis, and voice recognition (we urge consideration of these forms of AI as “narrow” AI). The App Association notes that this “narrow” AI already provides great societal benefit. For example, AI-driven software products and services revolutionizes the ability of countless Americans with disabilities to achieve experiences in their lives far closer to the experiences of those without disabilities.

To fully realize these benefits, federal regulatory frameworks must evolve in ways that foster innovation while maintaining trust and accountability. Accordingly, we encourage OSTP, through this RFI, to focus on identifying and modernizing existing rules and processes that no longer align with AI-enabled systems.

To assist the Administration, the App Association offers a comprehensive set of AI policy principles as guidance for reviewing and reforming existing federal regulations to ensure they enable, not impede, AI innovation and adoption.

1. **Harmonizing and Coordinating Approaches to AI:** A wide range of existing federal and state laws already prohibit harmful conduct regardless of whether AI is involved. The App Association urges OSTP to coordinate across agencies to identify where existing frameworks can be clarified or modernized to reflect AI-enabled systems, rather than developing duplicative new regimes that fragment compliance obligations. Federal and state regulators should approach the applicability of these laws in AI contexts thoughtfully and with sensitivity to evolving risks, ensuring consistency and avoiding overlap.
2. **Quality Assurance and Oversight:** Federal policy should apply risk-based approaches to ensure that the use of AI aligns with recognized standards of safety and efficacy. Small software and device companies benefit from regulatory clarity about how existing oversight frameworks apply to AI tools. As OSTP

reviews potential barriers, it should encourage agencies to use existing authorities and flexibilities, such as waivers, pilot programs, and conditional approvals, to allow responsible deployment while preserving safety objectives. Regulations should promote rigorous procedures, truthful representations of intended use, and appropriate distribution of risk and liability across the AI value chain.

The App Association also urges OSTP to align with our recommendations on the roles and interdependencies in the AI value chain, which support the theme of a shared responsibility for safety and efficacy.³ In this framework, the App Association proposes clear definitions of stakeholders across the AI value chain, from development to distribution, deployment, and end use; discusses roles for supporting safety, ethical use, and fairness for each of these important stakeholder groups that are intended to illuminate the interdependencies between these actors, thus advancing the shared responsibility concept.

3. **Thoughtful Design:** Regulations and guidance should encourage AI systems to be designed around real-world workflows, human-centered usability, and end-user needs. AI design, development, and deployment should continue to benefit from dialogue among developers, users, and stakeholders to ensure solutions remain effective and responsible.
4. **Access, Infrastructure, and Affordability:** Federal regulatory reform should support affordable access to AI infrastructure and ensure that compliance requirements do not disproportionately burden small developers. OSTP should work with agencies to identify rules that limit affordable compute, data access, or interstate infrastructure needed for AI processing. Ensuring access and affordability is vital for America's small business innovators to participate fully in the AI economy.
5. **Modernized Privacy and Security Frameworks:** While the types of data items analyzed by AI and other technologies are not new, this analysis will provide greater potential utility of those data items to other individuals, entities, and machines. Thus, there are many new uses for, and ways to analyze, the collected data. This raises privacy issues and questions surrounding consent to use data in a particular way (e.g., research, commercial product/ service development). It also offers the potential for more powerful and granular access controls for consumers. AI depends on responsible data use. As OSTP identifies barriers to AI adoption, it should ensure that privacy and security rules protect individuals while permitting lawful data flows needed for training and innovation. Requirements must be scalable and avoid undue restrictions on data processing or reuse. Clear and consistent federal guidance is essential to reduce fragmentation and encourage responsible AI development.

³ This framework is included as **Appendix A** to this comment.

6. **Standards:** The advantages of industry-led standardization in AI development are well established and have been reinforced by the first Trump Administration in Executive Order 13859, which emphasized the need for the United States to drive the development of technical standards, reduce barriers to AI testing and deployment, and enable both new AI-driven industries and AI adoption across existing sectors. A key benefit of private sector and stakeholder participation in AI development is the flexibility it provides to adapt to the rapid evolution of the technology. American companies have been at the forefront of AI innovation, and the United States must continue to harness and support their leadership. The most effective approach is to sustain a private-sector-driven model, with strong government support.

While private industry should lead AI standardization efforts, the U.S. government plays a vital role in supporting these initiatives. This includes providing resources, investing in research to sustain America's AI competitiveness, and facilitating contributions to global standards. The longstanding U.S. model—where the government promotes and backs private, voluntary, and consensus-based standard setting—remains the best path forward. OSTP should identify federal rules that limit agency participation in voluntary consensus standards or impose redundant technical requirements. Consistent with OMB Circular A-119,⁴ agencies should leverage and reference open, voluntary standards rather than develop unique regulatory specifications. Modernizing references to outdated standards and removing barriers to small-business participation will advance U.S. competitiveness.

Further, the Trump Administration should take proactive steps to address barriers to the development and use of AI standards. As a prime example, AI standards are being undermined by standard-essential patent (SEP) licensor abuses that have negatively impacted other areas of technology, such as communications. When patent holders volunteer to contribute their technologies to a technical standard, they understand that licenses to those patents may be needed to use the standard and, as a result, provide standard-setting organizations (SSOs) with a commitment to license these SEPs on fair, reasonable, and non-discriminatory (FRAND) terms to balance the anticompetitive risks associated with standard setting. While the FRAND commitment should prevent a SEP holder's abuse of their dominant position, in practice opportunistic SEP holders often disregard their FRAND promises and exploit ambiguous SSO policies. Since SSOs facilitate access to technical standards that touch various industries, these opportunistic SEP holders plague many verticals, always looking for the next market to extract additional and unrelated value for their SEP. The anticompetitive harms experienced in the SEP licensing ecosystem disrupt fair usage of technical standards that support efficient innovation. Accordingly, the Administration should take steps to:

⁴ <https://www.whitehouse.gov/wp-content/uploads/2017/11/Circular-119-1.pdf>.

- Restrict the ability of foreign SEP holders to impose injunctions on U.S. companies in foreign jurisdictions.
 - Leverage diplomatic influence to pressure foreign governments to prevent their courts from enabling SEP-related hold-ups that disadvantage American businesses.
 - Implement domestic safeguards to curb SEP hold-up, including reforming the U.S. International Trade Commission (ITC) to limit foreign entities from leveraging costly SEP exclusion orders against U.S. companies; and defending the Supreme Court's *eBay* decision, which eliminated the automatic presumption of injunctions in patent disputes.
7. **Bias:** The bias inherent in all data, as well as errors, will remain one of the more pressing issues with AI systems that utilize machine learning techniques in particular. Existing laws and guidelines should be reviewed to ensure they appropriately address bias and data quality in AI systems without creating duplicative or contradictory requirements. The App Association supports risk-based approaches that focus agency attention on demonstrated harms arising from bias or poor data provenance. Where regulations are ambiguous, clarity on how agencies will evaluate AI datasets and model outputs will foster responsible development and public trust.
 8. **Research and Transparency:** Federal policy should continue to support AI research and development by providing clear pathways for data use and collaboration across agencies and sectors. Regulatory barriers that impede data sharing or create uncertainty around permissible research uses should be modernized. OSTP's review should emphasize transparency research and inter-agency coordination to ensure that AI policies enable scientific progress and innovation rather than delay it.
 9. **Education:** As OSTP reviews barriers to AI adoption, it should also encourage agencies to support education and training initiatives that enhance AI literacy across the federal workforce and the broader economy. Removing administrative rules that limit the use of AI tools in education or research settings will promote responsible adoption and prepare workers for AI-enabled roles.
 10. **Global Leadership and Trade:** U.S. AI competitiveness depends on coherent domestic rules that enable global market access. OSTP should work with agencies to identify and reform regulations that create trade frictions or impede cross-border data flows. Aligning federal policy with international best practices will help preserve America's leadership in AI and prevent foreign regulatory models from outpacing our innovation ecosystem.
 11. **Intellectual Property:** Strong intellectual property protection is essential to AI innovation. OSTP should identify statutory or regulatory provisions that create uncertainty around IP ownership or licensing in AI-assisted works. Policies should avoid mandates that force disclosure of proprietary information or training

data beyond what is necessary for safety or accountability. Maintaining balanced and predictable IP frameworks will encourage continued investment and innovation across the AI ecosystem.

The App Association appreciates OSTP's leadership in modernizing federal regulatory frameworks to better enable AI innovation and adoption. We urge OSTP to focus this RFI process on identifying outdated or inconsistent regulations that unintentionally constrain AI development, and to pursue clarity and coordination across agencies rather than new regulatory layers. We stand ready to assist OSTP in this effort and to share further insights from America's small-business AI innovator

Sincerely,



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ACT | The App Association AI Roles & Interdependency Framework

Overview: Artificial Intelligence (AI), especially generative AI, is already a powerful tool for consumers and companies. App Association small business members have a vital role in advancing AI's positive impacts by identifying new and novel opportunities where the responsible use of AI can solve expensive problems and provide new efficiencies for consumers and businesses.

While AI capabilities are already positively transforming American society, the App Association also recognises that the same capabilities raise unique challenges that the government, private sector, and others have an important role in addressing across development, distribution, deployment, and end use phases. The App Association has worked proactively with its diverse and innovative community of small businesses to develop this consensus taxonomy, which describes the roles and interdependencies of various actors in the value (or supply) chain of AI solutions. These roles include several AI/ML developer subgroups, deploying organisations, end users, standard-setting organisations, certification and test beds, specialty boards and licensing bodies, and academic institutions. Many of these stakeholders map to actors in the National Institute for Standards and Technology's (NIST's) AI Risk Management Framework (RMF), which we indicate on the far right of the matrix below.

While the App Association has created comprehensive policy principles for AI governance, there we have several recommendations from this roles and interdependencies document. **The App Association recommends: (1) that requirements placed on small business AI developers and users be based on demonstrated harms; (2) the leveraging of a risk-based approach to AI harm mitigation where the level of review, assurance, and oversight is proportionate to those demonstrated harms; and (3) that those in AI value chains with the ability to minimise risks based on their knowledge and ability have appropriate responsibilities and incentives to do so.**

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Stakeholder Group	Definition	Roles	NIST AI RMF Actor Tasks
AI/ML Developers	<p>Someone who designs, codes, researches, or produces an AI/ML system or platform for internal use or for use by a third party.</p> <p>See below for defined Subgroups of this Stakeholder Group along with recommendations specific to that Subgroup.</p>	<ul style="list-style-type: none"> Informing deployers and users of data requirements/definitions, intended use cases/populations and applications (e.g., disclosing sufficient detail allowing providers to determine when an AI-enabled tool should reasonably apply to the individual they are treating), including whether the AI/ML tools are intended to augment human work versus automate workflows, and status of/compliance with all applicable legal and regulatory requirements. Prioritizing safety, effectiveness, transparency, data privacy and security, and equity from the earliest stages of design, leveraging (and, where appropriate, updating) existing AI/ML guidelines on research and ethics, leading standards, and other resources. Employing algorithms that produce repeatable results and, when feasible, are auditable, and make decisions that comply with relevant sector-specific requirements. Using risk management approaches that scale to the potential likely harms posed in intended use scenarios to support safety, protect privacy and security, avoid harmful outcomes due to bias, . Providing information that enables those further down the value chain can assess the quality, performance, equity, and utility of AI/ML tools. Aligning with relevant ethical obligations and international conventions on human rights and supporting the development of new ethical guidelines to address emerging issues. 	<p>AI Deployment; Operation and Monitoring; Test, Evaluation, Verification, and Validation (TEVV); Human Factors; Domain Expert; AI Impact Assessment; Governance and Oversight</p>

Stakeholder Subgroup	Definition	Roles	NIST RMF Actor Tasks
Foundation Model Developer	Someone who creates or modifies large and generalisable machine learning models that can be	<p>Building on the cross-AI/ML Developer roles noted above:</p> <ul style="list-style-type: none"> Assessing what bias and safety issues might be present in its Foundation Model, 	AI Deployment; Operation and Monitoring; Test, Evaluation, Verification, and Validation (TEVV); Human Factors;

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Stakeholder Subgroup	Definition	Roles	NIST RMF Actor Tasks
	used/adapted for various downstream tasks and applications, such as natural language processing, computer vision, or software development.	<p>and documenting steps taken to mitigate those issues in its Transparency Documentation (e.g., Transparency Notes, System Cards and product documentation).</p> <ul style="list-style-type: none"> • Providing clear guidance on (1) how to use and adapt its Foundation Model for various foreseeable downstream tasks and applications, and (2) what limitations or risks may arise from doing so based on challenges discovered during testing and deployment. 	Domain Expert; AI Impact Assessment; Governance and Oversight
AI Platform Developer	Someone who leverages existing foundation models and builds an industry-agnostic platform that enables other developers to access, customise, and deploy these models for various use cases and applications, such as natural language processing, computer vision, and/or software development.	<p>Building on the cross-AI/ML Developer roles noted above:</p> <ul style="list-style-type: none"> • Testing for, identifying, and mitigating bias and safety issues that may arise from using or modifying existing foundation models for its AI Platform, and documenting these issues and steps taken to address them in its transparency documentation (e.g., transparency notes, system cards and product documentation). 	AI Deployment; Operation and Monitoring; Test, Evaluation, Verification, and Validation (TEVV); Human Factors; Domain Expert; AI Impact Assessment; Governance and Oversight
Use Case AI Platform Developer	Someone who creates or uses AI-powered platforms that are tailored for a particular domain or sector. These platforms may leverage foundation models (or other types of machine learning models or solutions), such as AI platforms, that are suitable for domain-specific	<p>Building on the cross-AI/ML Developer roles noted above:</p> <ul style="list-style-type: none"> • Meeting specific requirements and standards of the domain to address unique accuracy, efficacy, explainability, and compliance needs. • Testing for, identifying, and mitigating any bias and safety issues that may affect domain-specific outcomes or performance needs, and documenting these issues and the steps it has taken to address them in its transparency 	AI Deployment; Operation and Monitoring; Test, Evaluation, Verification, and Validation (TEVV); Human Factors; Domain Expert; AI Impact Assessment; Governance and Oversight

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Stakeholder Subgroup	Definition	Roles	NIST RMF Actor Tasks
	problems and data sources.	documentation (e.g., transparency notes, system cards and product documentation).	
AI Solution Developer	Someone who creates complete digital tools and technologies for a domain. They may build or incorporate AI solutions with both use case AI platforms, which are specialised for the domain, and AI platforms, which are more general and adaptable for various use cases and applications.	<p>Building on the cross-AI/ML Developer responsibilities noted above:</p> <ul style="list-style-type: none"> • Specifying appropriate uses for its solution to avoid amplifying bias or safety issues that may exist in the underlying foundation models, AI platforms, or domain-specific AI platforms. • Designing user interfaces to enable an end user to safely and effectively act upon the output of the tool, such as providing explanations, feedback mechanisms, or human oversight options, providing clear documentation to Deploying Organisations and Users to help them avoid bias and safety issues. 	AI Deployment; Operation and Monitoring; Test, Evaluation, Verification, and Validation (TEVV); Human Factors; Domain Expert; AI Impact Assessment; Governance and Oversight

Stakeholder Group	Definition	Roles	NIST AI RMF Actor Tasks
Deploying Organisation	Someone who is deploying solutions built by AI Solution Developers. They may also have their own internal IT staff that employ use case AI platforms or general AI platforms to develop their own custom AI solutions.	<p><i>Respecting that managing AI/ML risks will be more challenging for small to medium-sized organisations depending on their capabilities and resources:</i></p> <ul style="list-style-type: none"> • Adopting AI/ML Developer instructions for use, specifying appropriate uses for Users through governance policies to avoid bias and safety issues that may exist in the underlying foundation models, AI platforms, or use case AI platforms. • Developing and leveraging solutions that augment efficiencies in automation, facilitate administrative simplification/reduce workflow burdens, and are fit for purpose. • Setting organisation policy/designing workflows to reduce the likelihood that a User will act upon the output 	AI Deployment; Operation and Monitoring; Domain Expert; AI Impact Assessment; Procurement; Governance and Oversight

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Stakeholder Group	Definition	Roles	NIST AI RMF Actor Tasks
		<p>of the tool in a way that would cause fairness/bias or safety issues (tailored explanations, feedback mechanisms, and/or human oversight options).</p> <ul style="list-style-type: none"> Assuring that AI/ML systems allow for the individualised assessment of domain-specific circumstances and flexibility to override automated decisions, ensuring that use of AI/ML does not improperly reduce or withhold intended benefits or inappropriately override human judgement. Developing support mechanisms for the use of AI/ML by providers based on validation, aligning with decision-making processes familiar to the domain and high-quality evidence. Developing organisational guidance on how the AI solution should and should not be used. Creating engagement pathways to support dialogue with AI use case developers, AI solution developers, or any other applicable AI/ML developer, to enable ongoing updates to address evolving risks and benefits of AI solution uses. Creating risk-based, tailored communications and engagement plans to enable easily understood explanations to customers about how the AI solution was developed, its performance and maintenance, and how it aligns with the latest best practices and regulatory requirements. 	
AI End Users	Someone who directly interacts with or benefits from the AI solutions that are built by AI Solution Developers or by the internal IT staff of the Deploying Organisation.	<p><i>Respecting that managing AI/ML risks will be more challenging for small to medium-sized organisations depending on their capabilities and resources:</i></p> <ul style="list-style-type: none"> Aligning with consensus AI/ML definitions, present-day and future AI/ML solutions, the future of AI/ML changes and trends. Taking required training and incorporating employer guidance about use of AI/ML solutions. Documenting (through automated processes or otherwise) and reporting any issues or feedback to the 	AI Deployment; Operation and Monitoring; Domain Expert; AI Impact Assessment; Procurement; Governance and

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		<p>developer, such as errors, vulnerabilities, biases, or harms (where AI/ML's use is known by the User).</p> <ul style="list-style-type: none"> Ensuring there is appropriate review of the output or recommendations from each AI solution prior to acting on it to make decisions, if relevant (where AI/ML's use is known by the User). Raising awareness of and acting according to customers' rights and choices when using AI solutions, such as consent, access, correction, or deletion of their personal data. 	Oversight; Human Factors
Standard-Setting Organisations	<p>An organisation whose primary function is developing, coordinating, promulgating, revising, amending, reissuing, interpreting, or otherwise contributing to the usefulness of technical standards to those who employ them.</p>	<ul style="list-style-type: none"> Developing and promoting adoption of international voluntary/non-regulatory consensus standardised approaches and resources to steward a shared responsibility approach to technology standards that include or are otherwise related to AI. 	Human Factors; Domain Expert; AI Impact Assessment; Governance and Oversight
Certification Bodies & Test Beds	<p>A certification body is a third-party organisation that assures the conformity of a product, process or service to specified requirements.</p> <p>A test bed is a platform for conducting rigorous, transparent, and replicable testing of scientific theories, computing tools, and new technologies to a standard.</p>	<ul style="list-style-type: none"> Creating and making available transparent and reliable processes for the assurance of conformity to voluntary AI standards. Creating and making available voluntary sandbox environments to help evaluate the usability and performance of AI/ML-based high-performance computing applications to advance the understanding of how reliable and efficacious AI, and to provide an appropriate assurance of reliability and efficacy. 	Test, Evaluation, Verification, and Validation (TEVV); Human Factors; Domain Expert; AI Impact Assessment; Governance and Oversight
Accrediting and Licensing Bodies, Specialty Societies and Boards	<p>Accrediting and licensing bodies are governing authorities that establish the suitability of any participating certification body. Notably, state-level boards serve</p>	<ul style="list-style-type: none"> Based on needs and expertise, developing and setting the standard of practice/behaviour and ethical guidelines to address emerging issues with the use of AI/ML in the relevant domain. Identifying the most appropriate uses of AI-enabled technologies and developing and disseminating 	Test, Evaluation, Verification, and Validation (TEVV); Human

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Stakeholder Group	Definition	Roles	NIST AI RMF Actor Tasks
	<p>this purpose for certain professions to standards set by each state.</p> <p>Specialty societies are organisations for specialised professionals.</p>	<p>guidance and education on the responsible deployment of AI/ML, both generally and for specialty-specific uses.</p>	<p>Factors; Domain Expert; AI Impact Assessment; Governance and Oversight</p>
<p>Academic Education Institutions</p>	<p>Tertiary educational institutions, professional schools, or forms a part of such institutions, that teach and award professional degrees.</p>	<ul style="list-style-type: none"> • Developing and teaching curriculum that will advance understanding of and ability to use AI/ML solutions responsibly, which should be assisted by inclusion of data scientists and engineers as instructors as needed. • Developing curriculum to advance the understanding of data science research to help inform ethical bodies. 	<p>Human Factors; Domain Expert; AI Impact Assessment</p>