

Trump's AI reset sparks debate on innovation over safety

Article

The news: President **Donald Trump** halted the [Biden administration's sweeping AI order](#) that emphasized safety, privacy, and transparency as guardrails for AI developers.

The move is indicative of the government's hands-off approach to AI regulation, which could spur innovation but at the cost of AI safety and user privacy.

Trump's decision, which was praised by some tech CEOs attending the **World Economic Forum** in Davos, could jeopardize the US' AI policy position as other countries take the lead in placing [AI safety ahead of innovation](#).

All gas, no brakes: Scrapping Biden's AI safety playbook signals to US AI companies they should double down on innovation and AI breakthroughs, potentially spurring competition at the cost of AI safety.

- Trump hasn't indicated what, if anything, would replace the guardrails, but **it's likely he will continue other Biden-era AI initiatives like promoting US competitiveness against China by [limiting hardware supplies](#)**.
- The president's appointment of venture capitalist **David Sacks**, [Elon Musk's PayPal associate](#), as his crypto-AI czar indicates a shift toward looser regulation and a pro-business stance on AI. It could also favor companies like **xAI** while challenging market leader **OpenAI**.

Trump also promised to boost US energy production to offset AI's growing demands and pave the way for investments and infrastructure projects.

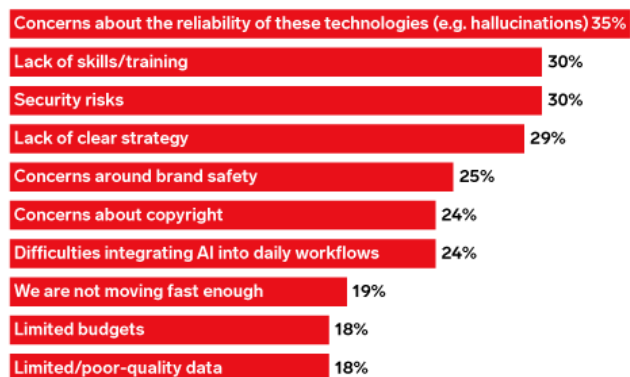
How AI companies may react: AI companies and startups pushing to attain artificial general intelligence (AGI) will welcome looser regulations and could release cutting-edge AI models faster without fear of government scrutiny.

Security-focused AI players like [Anthropic](#) could self-regulate while putting a premium on user privacy to attract new customers. That will help address the concerns of 35% of brand marketers who named safety concerns and AI hallucinations as a key challenge to adoption, per Econsultancy.

Our take: What's good for AI companies may not be great for consumers whose data and information is needed to train AI models. Hallucinations, AI mishaps, and breaches might become more common without enforceable government-led guardrails.

Challenges to the Company's Use of Generative AI in Marketing Over the Next 2 Years According to Brand Marketers Worldwide, Oct 2024

% of respondents



Note: n=586; top 3 responses

Source: Econsultancy, "The Future of Marketing," Dec 6, 2024

288708



This article is part of EMARKETER's client-only subscription Briefings—daily newsletters authored by industry analysts who are experts in marketing, advertising, media, and tech trends. To help you start 2025 off on the right foot, articles like this one—delivering the latest news and insights—are completely free through January 31, 2025. If you want to learn how to get insights like these delivered to your inbox every day, and get access to our data-driven forecasts, reports, and industry benchmarks, [schedule a demo with our sales team](#).