**Before the**
**Office of Science and Technology Policy**
**Washington, D.C. 20502**

In the Matter of:
Request for Information; Regulatory Reform on
Artificial Intelligence

**COMMENTS OF INCOMPAS**

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**Introduction**

INCOMPAS is the leading trade association representing competitive providers building the next generation of communications, broadband, artificial intelligence, and energy infrastructure across the country. We commend the Office of Science and Technology Policy (OSTP) for taking steps to promote artificial intelligence ("AI") innovation and appreciate the opportunity to submit our comments on regulatory reform. The United States is in a race to become the global leader in AI. The stakes could not be higher. AI will significantly impact investments, economic competitiveness, and national security for generations. U.S. federal policy has a critical role to play in ensuring that the country continues to lead the world in AI technology and development by creating a supportive environment for AI development and infrastructure.

Every AI application — from training large language models to deploying autonomous systems — requires reliable and high-capacity energy and broadband networks. The U.S. must continue to modernize and improve every sector that facilitates connectivity. Achieving these goals will require federal, state, and local governments to coordinate systematically remove barriers to building AI networks and infrastructure, including data centers, transmission capacity, fiber networks, satellites, energy grids, and submarine cables. The inefficiencies of building critical infrastructure under current regulatory and bureaucratic regimes have resulted in costly delays, uncertainty, and unpredictability, all of which disincentivize the capital investment needed to keep pace with China's intensive and unbridled AI infrastructure deployments.

INCOMPAS agrees that "[s]uitable policy frameworks enable innovation while safeguarding the public interest."[1] INCOMPAS members remain committed to following the policy frameworks that protect citizens and the nation's telecommunication infrastructure from things like national security threats, environmental concerns, and consumer protection issues. However, our country cannot afford for the deployment of critical AI infrastructure to be halted because of duplicative and unnecessary bureaucratic federal processes. INCOMPAS appreciates the opportunity to discuss existing Federal statutes, agency rules, and administrative processes that unnecessarily hinder the development, deployment, and adoption of AI technologies within the United States.[2] INCOMPAS commends the Trump Administration for taking decisive steps to facilitate the deployment of this critical infrastructure and looks forward to collaborating with OSTP and other agencies to ensure America's AI dominance.

**Strengthen Interagency Coordination and Utilize the Lead Agency Model for Permitting**

The demand for AI-driven innovation has led to significant investment by INCOMPAS member companies in infrastructure such as fiber optics, AI connections and corridors, transmission facilities, satellites, cloud services, and data centers. These investments enhance overall network quality and reliability and are critical to building the nation's infrastructure capable of supporting the growing demands of AI applications. By strengthening core and edge networks, they ensure the scalability, speed, and resilience needed to power AI-driven innovation across industries and communities. Permitting agencies have a significant impact on how quickly

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[1] *Request for Information; Regulatory Reform on Artificial Intelligence*, Doc. No. 2025-18737, 90 FR 46423 (rel. Sept. 26, 2025) (*"RFI"*).

[2] *See RFI*, 90 FR 46422.

this vital infrastructure can be deployed, however, permitting delays are misaligned with the pace of AI growth. INCOMPAS' members consistently face delays in permitting and gaining access to public rights-of-way when deploying broadband and AI infrastructure.

One member has reported a West Coast project that took over four years to begin construction due to duplicative and inconsistent environmental review processes under the National Environmental Policy Act ("NEPA") and state laws. These permitting delays negatively impact the country's GDP and AI competitiveness. It is estimated that $240 to $280 billion in infrastructure capital expenditures enter the federal permitting process each year.[3] On average, the federal permitting process takes on average four to five years, stalling an estimated $1.1 to $1.5 trillion of infrastructure capital expenditures.[4] Contrary to the goals of Executive Order ("EO") 14318 and the AI Data Center Infrastructure Task Force. These examples show that current federal regulatory barriers create unnecessary burdens and are counter to the goals of the Administration and this initiative.

OSTP should promote an "all-of government" approach to permitting. Agencies such as the Federal Energy Regulatory Commission ("FERC"), the Environmental Protection Agency ("EPA"), the National Telecommunications Information Administration ("NTIA"), the Federal Communications Commission ("FCC"), and state and local regulatory authorities must align policies to eliminate bureaucratic hurdles, promote fast-track permitting, and secure financing from both private and public sources. Designating NTIA as the lead agency for broadband infrastructure projects would reduce redundancy and accelerate deployment, especially in

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[3] Bob Sternfels, Adi Kumar, and Brodie Boland, *Unlocking US Federal Permitting: A Sustainable Growth Imperative*, McKinsey & Company (July 25, 2025).

[4] *Id*.

already disturbed rights-of-way. A single, comprehensive environmental review should satisfy all relevant agencies.

**Standardize NEPA Review Procedures and Implement Shot Clocks**

The Administration should unify NEPA implementation across agencies or centralize review in one lead agency. INCOMPAS members report that NEPA requirements and processes vary not only between agencies but also within them, depending on the individual reviewer. Projects might face multiple rounds of environmental review, even when prior analysis has been completed, leading to unnecessary delays and increased costs without improving environmental outcomes.

INCOMPAS urges the Administration and all federal agencies to follow NEPA's statutory requirements rather than expanding on them. A consistent, streamlined process, where one thorough environmental study is sufficient for all relevant agencies, or one agency controls the environmental study requirements, and includes expedited measures in already disturbed rights-of-way, is needed to realize the Administration's goals for AI and broadband deployment. In addition, Federal Agencies should follow synchronized shot clocks for environmental assessments and impact statements. These recommendations align with the goals of EO 14318, which calls for modernizing and accelerating federal permitting through improved interagency coordination and the use of digital tools. Also consistent with the Administration's policies[5], INCOMPAS recommends the federal government utilize the latest technology in environmental reviews and permitting to speed up the deployment of AI infrastructure. To address many of

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[5] Presidential Memoranda on Updating Permitting Technology for the 21st Century (rel. April 15, 2025), *available at* https://www.whitehouse.gov/presidential-actions/2025/04/updating-permitting-technology-for-the-21st-century/.

these issues, agencies should be required to establish one consolidated comment round ("one bite of the apple") for environmental assessments. Establishing transparent permitting procedures, including public disclosure of all steps and costs required to secure the permit at the time of application, would reduce delays and provide greater certainty for industry.

**Modernize EPA Guidance for AI Infrastructure**

Another example of the protracted federal permitting process for AI infrastructure is the EPA's air regulatory issues as it pertains to data center site air quality. EPA's air quality permitting interpretations are overly conservative and not aligned with modern data center technologies. Issues such as source aggregation, at-risk allowable construction activities before the receipt of an air permit, fossil fuel-fired steam electric plant applicability with waste heat recovery system that does not generate steam, or cross-state air pollution applicability to power generation sites not capable of selling to the public utility grid, are treated as if they are traditional industrial plants, even when they are not connected to the public utility grid. INCOMPAS recommends that the EPA issue updated guidance clarifying how air regulations apply to data centers, particularly regarding waste heat recovery systems and fossil fuel-fired backup generation. This will streamline the application process and avoid unnecessary delays for non-grid-connected facilities.

**Maintaining Momentum of the Administration's AI Actions**

INCOMPAS recognizes the federal government has already begun applying the lead agency model and leveraging the Fixing America's Surface Transportation Act ("FAST-41") permitting framework for qualifying AI-enabling infrastructure projects, including hyperscale

data centers, high-voltage transmission lines, and semiconductor manufacturing facilities. INCOMPAS members have praised the FAST-41 process for increasing coordination among government agencies by selecting a lead agency and improving transparency of federal authorizations and environmental reviews. This can provide a great template for other projects and government initiatives, especially given expedited permitting success under FAST-41.[6] Unfortunately, despite the critical role of broadband and fiber interconnectors in AI deployment, since FAST-41's inception, only six broadband projects have achieved covered status, revealing a significant gap in supporting nationally critical technology infrastructure. To support the administration's AI infrastructure goals, it could add NTIA to the Federal Permitting Improvement Steering Council (FPISC) and expand it to cover broadband and fiber interconnectors in AI deployment projects that demonstrably support national AI objectives. Alternatively, the administration could create a parallel federal permitting program that is modeled on the FAST-41 framework with NTIA as the lead agency. Either approach should incorporate FAST-41's most effective elements: a centralized body that harmonizes federal agency requirements, provides clear guidance, and serves as a single point of contact for federal permitting needs. This would ensure AI infrastructure deployment receives the coordinated federal support necessary to maintain America's competitive advantage in this critical technology sector.

In another example of significant progress on interagency coordination and reform, the DOE, in partnership with the Pacific Northwest National Laboratory, has made significant

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[6] *FAST-41 Program, Permitting Council*, *available at* https://www.permitting.gov/projects/title-41-fixing-americas-surface-transportation-act-fast-41. ("projects supported through FAST-41 achieved a Record of Decision (ROD) nearly 18 months faster than those that did not opt-in to the program").

progress through its PermitAI initiative.[7] The White House Task Force on AI Datacenter Infrastructure has also taken important steps by coordinating interagency policy, identifying permitting bottlenecks, and prioritizing high-impact infrastructure. To build on this momentum, INCOMPAS recommends that the Administration formally designate FERC and NTIA as lead agencies for energy transmission and broadband infrastructure, respectively. This designation should extend to fiber connections and corridors that are essential to AI workloads and data center connectivity.

**Enable Grid Modernization for AI Infrastructure and Innovation**

It is critical that federal incentives and opportunities around AI and data center development take a holistic view—one that includes not just the facilities themselves but also the surrounding ecosystem, including energy generation and fiber infrastructure. To support American leadership in AI infrastructure, the federal government must take concrete steps to modernize energy policy, such as advancing transmission and permitting reform to ensure adequate, reliable and resilient power for growing data center demand. INCOMPAS recommends the Trump Administration prioritize a comprehensive strategy to accelerate the buildout of high-capacity transmission infrastructure. This includes expanding eligibility for financial incentives, tax credits, and loan guarantees for transmission projects that directly support AI workloads and data center clusters.

A key component of this strategy should also be incentivizing next-generation energy sources, including, but not limited to, the deployment of small modular reactors (SMRs), through

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[7] *About PermitAI*, Pacific Northwest National Laboratory, *available at* https://www.pnnl.gov/projects/permitai.

streamlined regulatory processes, tax incentives, and loan guarantees. These efforts should be paired with reforms to interconnection processes and regional transmission planning to ensure that new generation can be efficiently delivered to AI infrastructure hubs. We are encouraged by the DOE's request for information on grid infrastructure for AI, which aims to inform future federal funding opportunities to expand energy generation and transmission grid capacity. This type of forward-looking investment is essential, and we urge more initiatives like it to ensure the U.S. energy grid can meet the demands of next-generation AI infrastructure.

To further improve coordination and accelerate the deployment of AI-enabling infrastructure, INCOMPAS recommends the Administration designate a lead federal agency, such as the FERC, for siting and permitting interstate transmission lines and the NTIA for all broadband-related projects, including federally funded projects like BEAD, as well as privately funded projects, for the purposes of NEPA reviews. This designation would streamline the permitting process by consolidating environmental reviews, establishing clear timelines, and reducing duplicative agency oversight, consistent with the broader permitting reforms recommended throughout these comments.

In addition, INCOMPAS urges the Administration to explore the use of federal eminent domain authority in cases where transmission projects face unreasonable delays or obstruction at the state or local level. While eminent domain should be used judiciously, it is a necessary tool to ensure that critical infrastructure, especially high-voltage transmission lines that cross multiple jurisdictions, can be built in a timely and coordinated manner.[8] Without this authority, even

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[8] *History of the Federal Use of Eminent Domain*, Environmental and Natural Resources Division, U.S. Department of Justice (updated Jan. 30 2024) *available at* https://www.justice.gov/enrd/condemnation/land-acquisition-section/history-federal-use-eminent-domain?utm_source=chatgpt.com (Discusses the historical precedent of utilizing eminent domain for building railroads at the end of the 19th century, electrical grids in the early

projects that are essential to national AI competitiveness and grid reliability may stall indefinitely by fragmented permitting processes or local opposition. A clear federal framework that includes lead agency designation and, where appropriate, eminent domain authority will help ensure that the U.S. transmission system can scale to meet the demands of next-generation AI infrastructure.

**Establish a Federal Framework for AI Model Regulation to Support Infrastructure Investment**

As the United States accelerates deployment of AI infrastructure, including data centers, fiber networks, and energy systems, the regulatory environment for AI models must be clear, consistent, and nationally coordinated. State-level efforts to regulate AI models have created a fragmented and unpredictable policy landscape. In 2025 alone, across all 50 states, legislatures introduced more than 1,000 AI-related bills with widely varying scopes and definitions. While these laws do not directly regulate AI infrastructure, they create uncertainty about where AI applications will be viable or scalable, undermining confidence in long-term infrastructure investment.

Infrastructure developers, whether deploying fiber, building data centers, or upgrading transmission lines, make investment decisions based on projected demand for AI-enabled services. When AI model regulation varies dramatically across states, it fragments the market and discourages national-scale infrastructure planning.  These inconsistencies increase compliance costs and delay infrastructure deployment. INCOMPAS urges OSTP to lead the development of a federal framework for AI model regulation that preempts conflicting state laws, ensures legal

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20th century, and highway systems in the middle 20th century. Building this critical infrastructure has propelled the nation forward in the past, and AI infrastructure will propel us to the future).

certainty for AI applications, and supports the scalable infrastructure investment needed to maintain U.S. leadership in AI. Without such a framework, the U.S. risks repeating the costly fragmentation seen in state-level privacy laws.

**Conclusion**

Policymakers must seize this once-in-a-generation opportunity to modernize permitting for AI-related infrastructure and break down existing barriers to fast and affordable deployment. INCOMPAS urges OSTP to lead a coordinated federal effort that breaks down regulatory silos, embraces digital permitting tools, and ensures that American's AI-infrastructure is built at the speed of innovation.

Respectfully submitted,

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