Palantir

March 15, 2025

Mr. Faisal D'Souza
National Coordination Office
2415 Eisenhower Avenue
Alexandria, VA 22314

Email Submission: ostp-ai-rfi@nitrd.gov, *Document Number: 2025-02305*

Re: Palantir Comments on Development of an Artificial Intelligence Action Plan

Dear Mr. D'Souza,

Palantir Technologies Inc. ("Palantir") is a U.S.-based software company that builds platforms to enable public, private, and non-governmental organizations to integrate, analyze, collaborate, and make operational decisions with their data, including through the integration of AI capabilities, in a secure and privacy-protective way. At Palantir, we see our work as a duty and privilege: to support the United States of America, its vital national interests, and the civilization of which it is a part. We are proud that this includes making the software upon which many of the world's most vital institutions, from defense and intelligence agencies to companies in the healthcare, energy, and manufacturing sectors, rely.

The United States stands at a critical juncture in artificial intelligence (AI) development and deployment. While the U.S. maintains significant advantages in AI innovation, it faces mounting challenges from nation-state adversaries and strategic competitors, particularly the People's Republic of China, under the leadership of the Chinese Communist Party. We should meet this challenge as Americans always have: with bravery, tenacity, and respect for the enormous responsibilities of freedom.

This memo outlines specific action recommendations that will enhance U.S. AI leadership while promoting human flourishing, economic competitiveness, and national security. Our response to this Request for Information ("RFI") is based on insights gathered over 20 years of experience building technology to improve institutional mission outcomes while upholding American values in the use of our software products, including AI enablement tools and platforms.

Although Artificial Intelligence touches a vast aperture of policy issues, from energy consumption to workforce implications, we have focused our recommendations on the software and application portions of AI policy, covering five mission sets:

1) Modernize Federal AI Acquisition and Deployment
2) Invest in Foundational Data Infrastructure to Support Operational Precision in AI Applications Across All Agencies
3) Establish Initiatives and Incentives to Promote Sound AI Adoption and Innovation
4) Pursue Existing Opportunities for AI Adoption in Government
5) Maintain American Global Leadership in AI

We believe the following recommendations will help lay the groundwork for decades of strong, steady U.S. leadership in a world increasingly at risk to forces of instability, crisis, and conflict.

RECOMMENDATIONS

1. Modernize Federal AI Acquisition and Deployment

America has the most vibrant and capable tech industry on the planet, yet policy and habit limit the federal government from taking full advantage of these capabilities due to an unwillingness to challenge broken orthodoxies and fix byzantine procurement and certification processes. This has contributed to severe inefficiencies across the federal government that waste the wealth of the American people and imperil the ability of our nation's bedrock institutions to execute on their most critical missions. To secure freedom, safeguard private data, and deliver prosperity for the American people in the 21st century, the federal government must streamline and accelerate the acquisition and implementation of AI capabilities across federal agencies. We recommend the following steps to achieve this mission:

a. Revamp and Strengthen the Federal Acquisition Streamline Act (FASA)

Taxpayer dollars must be spent prudently, avoiding unnecessary waste and costly delays. Custom development is expensive and time-consuming when commercially available products can be modified to meet government needs, as is customarily done in the commercial market. As implemented, FASA requires that the head of an agency procure commercial services or products to the maximum extent practicable, to include a requirement to modify requirements to ensure that commercial products can meet an agency's needs.

Complying with FASA should include prioritizing procurement of modifiable commercial products over custom development, absent rare and justifiable circumstances. The recent memo issued by Secretary of Defense Hegseth directing the use of Commercial Solutions Openings and Other Transactions as the default solicitation and award approaches for acquiring software capabilities is an important step to ensuring the commercial acquisition of proven AI capabilities. As the Department of Defense looks to implement Secretary Hegseth's guidance, it will be key to ensure that best practices for procuring commercial AI solutions are adopted and that acquisition professionals are trained on how to best employ these contracting vehicles. Other Agencies should consider implementing similar guidance.

Congress is already pursuing reforms to the procurement and acquisition process, such as the FoRGED Act, introduced by Senator Roger Wicker, which proposes that by default, all products and services acquired by the Department of Defense (DoD) must be commercial. The FoRGED Act

represents an excellent starting point, but much more must be done to ensure a cultural change within implementing agencies that speeds up the acquisition of proven commercial AI capabilities ready to be deployed in the fight today. To begin this process, it would be prudent to review all proposed and inflight projects for FASA compliance, and those that are noncompliant, especially those early in process, should be reviewed and potentially recompeted in a FASA-compliant manner.

b. Reform the Authority to Operate (ATO) process to accelerate AI system deployment

The ATO process for AI systems should be streamlined and accelerated. This includes developing clear guidelines for AI system security assessments, leveraging automated security testing tools, establishing a risk-based approach to ATO approvals, and establishing a clear path to reciprocity between agencies. This will enable faster deployment of critical AI capabilities without compromising security.

c. Expand use of Other Transaction Authorities (OTAs) for AI procurement with appropriate commercial contracting terms

OTAs provide a flexible and efficient mechanism for procuring innovative technologies like AI. Expanding the use of OTAs for AI could allow agencies to rapidly acquire cutting-edge AI solutions from non-traditional vendors and accelerate the pace of AI adoption within the government. To be the most effective, guidance for use of OTAs for AI should include commercial provisions to align to the intent of OTAs being vehicles for non-traditional vendors. Potential provisions could include mandating that firm, fixed-price contract types and standard commercial intellectual property terms are included in such agreements to prevent the trend of turning OTAs into FAR-like vehicles – while still providing for the rigorous security and other capabilities assurances necessary to align with critical standards and delivery requirements.

2. Invest in Foundational Data Infrastructure to Support Operational Precision in AI Applications Across Agencies

We are at the early stages of an AI revolution, and America's success depends not only on continuing to develop cutting-edge technologies of increasing power and sophistication, but also on building and maintaining the critical infrastructure necessary to ensure operational precision in their many applications, from machine shop floors, to clinical health environments, to the battlefield.

Additionally, the force-multiplying power of AI models — speed, scale, processing volume, etc. — requires exact configurations to domain-specific contexts, standards, and policies. To enable government agencies to field AI for real-world, operational use cases, efficiently and with maximal regard for meeting domain-specific markers of excellence, we recommend the following investments:

a. Testing and Evaluation Capabilities, Guidelines, and Environments

Testing and Evaluation ("T&E") is critical for getting AI from prototype to production. For government agencies to wield AI as a tool to solve real-world challenges, the Administration should prioritize establishing dedicated T&E capabilities for AI systems that are able to validate performance prior to general release and assist with ongoing monitoring to track performance in operational use.

Additionally, AI projects are frequently held up due to a lack of clear guidelines on fielding certification requirements that set a minimum bar for implementation while supporting iterative improvement to meet requirements for full production system.

These lines of effort must go hand-in-hand with upskilling government workers who can competently perform the testing, evaluation, and validation workflows. This will require building *human capacity* for T&E – that is, small teams serving as government counterparts to commercial vendors who carry expertise and are conversant in the latest T&E methodologies and tools. Skilled T&E teams should be trained to engage in the context-specific challenges of a given application environment in order to support fine-tuned evaluations that provide the rigor and confidence to get AI into production. On a human resource level, these teams should constitute relatively minor investments, but are nonetheless crucial for unlocking the massive increases of productivity and efficiency made possible by well-deployed AI.

b. Privacy, Security, Data Protection, and Data Governance

Privacy is not just a matter of individual rights; it is a national security issue. It is therefore critical for Federal agencies to prioritize infrastructure and applications that best secure the freedoms of the American people and promote human flourishing – particularly those measures that will safeguard individual privacy and the security of sensitive data. Programs that fail to give primacy to these considerations or that favor technologies built with poor privacy and security hygiene will ultimately be susceptible to vulnerabilities that place U.S. citizens' personal information at risk of breach and exploitation by our adversaries and their proxies.

Moreover, ensuring best practices for data governance and oversight are crucial to facilitating testing, evaluation, validation, and monitoring; enabling appropriate human interventions; and providing for retrospective audit analyses that help to ensure operational precision of AI systems in the most consequential settings.

We believe that these measures are crucial to ensuring AI adoption and innovation efforts best serve the American people, check potential federal overreach, and defend against hostile actors:

- Establishing robust access controls to ensure data is only accessible to authorized personnel and systems;
- Maintaining efficient data deletion mechanisms to comply with storage limitation and retention minimization principles;
- Requiring effective data minimization practices to ensure only necessary data is collected and retained; and
- Utilizing comprehensive data lineage tracking to maintain transparency and accountability in AI systems.

By prioritizing these fundamental building blocks, we can create a solid foundation for AI development across government agencies, ensuring that privacy and security are built into AI systems from the ground up and, most importantly, the rights of the American people are respected.

3. Establish Initiatives and Incentives to Promote Sound AI Adoption and Innovation

We offer here two straightforward recommendations for addressing two of the most significant impediments to AI systems adoption: a) the dearth of high quality, domain-specific data critical to training and fine-tuning AI models and application environments, and b) the lack of dedicated budget allocations needed to programmatically align agencies towards AI-enriched outcomes:

a. Testbed Initiative

Government agencies generate a wealth of data as they pursue their missions. We recommend leveraging these vast data holdings by creating agency-specific AI testbeds that utilize operationally relevant data (in appropriately deidentified or minimized form), alongside descriptions of agency problems and use cases, in an environment that allows for collaboration with external stakeholders, and that supports proper access controls, security measures, and privacy protection to advance the missions of their agency.

In this way, testbeds will simultaneously support the AI ecosystem of researchers, startups, and larger tech companies, while assisting agencies in more efficiently and effectively fulfilling their mission.

At minimum, these testbeds should:

- Provide commercial AI companies and researchers with secure access to relevant datasets for developing and testing AI applications;
- Foster innovation by allowing AI developers to work with real-world, complex data that reflects the challenges faced by government agencies; and
- Simplify and accelerate government use of AI models, since they are built using data reflecting real-world complexities.

To implement this initiative effectively, we recommend:

- Establishing well-defined intellectual property rights frameworks that encourage innovation while protecting government interests;
- Implementing collaborative mechanisms that allow for feedback between AI developers and the agencies providing the data, creating a virtuous cycle of improvement and refinement; and

- Ensuring that agency privacy officers review and approve necessary and adequate deidentification procedures for personally identifying datasets placed in testbeds, as well as develop standards for appropriate access and use cases pursued by researchers, commercial companies, and other organizations authorized to use agency data.

Finally, current efforts, such as the data available through data.gov, support government data transparency goals but do not allow for effective feedback mechanisms with the organizations providing the data. Moreover, more sensitive data, due to security, privacy, or other concerns, is not available via data.gov.

The proposed testbed initiative would address these limitations by providing a secure and controlled environment for AI development with more comprehensive datasets. This approach can unlock numerous advancements and efficiencies, from catching fraud at CMS, to advancing cancer research at the NIH, to enhancing our national security at the DoD.

b. Increase AI budget allocation to at least 1% of agency budgets

AI technology provides a way for the government to increase the quality of its service to Americans while simultaneously reducing costs and saving the taxpayer money. To encourage AI adoption in the face of bureaucratic drift, the Trump Administration should set as a goal that 1% of every agency budget be spent on AI modernization efforts.

4. Pursue Existing Opportunities for AI Adoption in Government

There are already several critical areas where AI integration would be of great benefit to the American people. We recommend the following as clear, quick wins for the Administration while emphasizing that AI-driven solutions can and should be applied to the full aperture of the federal government:

a. Expand funding for integration of AI into C2 systems

Command and Control ("C2") systems require constant insights in real time from varied and complex datasets, and streamlined decision making and seamless communication across many different platforms is critical for maintaining America's advantage on the battlefield. AI has already proven crucial to this endeavor, as evidenced by the success of programs like Project Maven. Further investments integrating AI throughout our C2 systems, including clear pathways for moving AI experiments to production as they prove themselves out, will augment the capabilities of our military and keep Americans safe.

b. Expand investments in Healthcare data sources

Given its sensitivities, labyrinthine organization, and massive costs, healthcare remains an industry where further AI investment is sorely needed. In particular, better cultivation and maintenance of healthcare datasets would pave the way for an expansion of AI-driven solutions across the field — bringing down costs, ensuring private, sensitive data is more secure, and enabling better care. Initiatives like the National COVID Cohort Collaborative (N3C) have demonstrated the effectiveness of these efforts, and the government should continue to pursue similar opportunities where prudent.

c. Enhance Fraud Detection Capabilities

As efforts continue to ensure taxpayer money is spent in ways that further the core interests of the American people, there are extraordinary opportunities to leverage AI's capabilities to detect instances of fraud and corruption. Procurement fraud at the DoD, through efforts like inflated billing or rigged bidding, could be more easily detected using AI-driven models, as could off-label promotion fraud at the expense of programs like Medicare and Medicaid. The work of entities like the Department of Government Efficiency and GAO targeting waste, fraud, and abuse should be standardized across agencies so that potential malfeasance can be monitored and dealt with in real time. Investing in AI-driven mechanisms to assist in these tasks provides a powerful, cost-effective force multiplier for accomplishing this mission.

d. Agency-specific Flagship AI Programs

Finally, we recommend that the Trump Administration include in its AI Action Plan a mandate for each government agency to complete a new flagship AI project within nine months of the Action Plan being published, working through OSTP for project approval and completion. Such a directive would encourage domain experts and public servants to think critically and creatively about ways to serve the American people more effectively while advancing their agency's core mission sets.

5. Maintain American Global Leadership in AI

As adversaries and groups hostile to the United States seek to utilize AI to advance their own interests, it is crucial for the U.S. to demonstrate leadership in the development of this technology and that we preserve a clear focus on the values that undergird our nation. We suggest the following measures for preserving America's technological edge, advancing its role as a leader in AI, and securing the fundamental freedoms that help constitute our nation's greatness:

a. Strengthen American AI Leadership by Hosting the next Global AI Summit in Silicon Valley in 2025

The three major global AI summits have taken place in the United Kingdom, Korea and most recently, France. To reinforce its position as the unrivaled leader in AI and take the helm in shaping the future of this transformational technology, the United States should host the next global AI summit. As home to the world's most innovative tech companies and cutting-edge research, America is uniquely equipped to guide global discourse on AI governance, development, and, most critically, opportunity.

The next summit should be held in Silicon Valley. This would achieve two objectives: First, it would serve as an important symbolic reminder of the region's deep historical ties to American national security, a message all of the Valley needs to hear today. Cold War-era partnerships between Stanford, DARPA, and early tech firms like Fairchild Semiconductor, or the space race contributions from NASA and Silicon Valley engineers, should be front of mind in light of current threats to the United States. Second, hosting the summit in Silicon Valley would serve as a powerful statement to domestic and global audiences alike that the Valley's tech ecosystem has long thrived through government synergy, making it the ideal stage to chart AI's future.

b. Limit Adversary Access to Cutting Edge AI Hardware by Leveraging Chip Diplomacy and Robust Export Controls

It is more crucial than ever to take steps that will slow advancements in this technology by America's adversaries, chiefly the Chinese Communist Party. Accordingly, the United States must continue to implement and enforce robust export control policies to prevent the most advanced AI chips from reaching China, a measure crucial for maintaining America's competitive edge in AI development and national security. These policies should include strict regulations on the export of high-end AI chips, regular updates to the list of controlled technologies, and collaboration with allied nations to create a unified approach.

To effectively enforce these controls, it is essential to develop and deploy advanced software technology capable of detecting and preventing smuggling through third-party countries and companies. This could involve AI-powered monitoring systems, technology for enhanced traceability, and sophisticated data analytics to identify suspicious patterns in global chip transactions.

By addressing the challenge of third-party smuggling and implementing comprehensive export controls, the U.S. can significantly impede China's access to cutting-edge AI hardware. This approach, combined with increased investment in domestic AI chip research and development, fostering partnerships between government, academia, and industry, and encouraging talent retention in the AI sector, will help ensure that America maintains its technological superiority in the rapidly evolving field of artificial intelligence. As AI capabilities increasingly influence global power dynamics, these measures will be vital not only to maintaining economic competitiveness but also to safeguarding America's core national security interests.

c. Reaffirm American Values in and through AI adoption as the necessary alternative to our adversaries

America’s adversaries are determined to use the awesome potential of AI technologies exactly as they have always taken advantage of innovation in science, engineering, and manufacturing: to enhance their power, subjugate their people, undermine their enemies, and extinguish liberty. To secure American freedom, the United States must drive and lead AI innovation in ways that affirm our fundamental values alongside like-minded partners and allies.

Starting points for such work already exist in the form of multilateral partnerships like the Quad, NATO, the Group of Seven (G7), the Indo Pacific Economic Framework (IPEF), AUKUS, and the Five Eyes. The U.S. should leverage these partnerships, leading collaborative efforts to produce AI-driven systems that serve our shared interests, both security and economic, and maintain the advantage over our adversaries.

The AI race is as much a competition for the elevation of values and first principles as it is a critical contest for technological supremacy. By taking these steps, we feel the U.S. can maintain its advantage and leadership.

CONCLUSION

The United States must act decisively to maintain its AI leadership position while ensuring these groundbreaking, world-shaping technological advancements align not with the worldview favored by authoritarian regimes, but rather with those values which promote liberty and human flourishing. This will require significant investment and broad institutional reform, and above all, it will demand sustained commitment to America's core values and interests, as well as a full understanding of the intersection between these values and future AI development. The recommendations outlined above provide a framework for achieving these objectives while maintaining America's competitive advantage in this critical technology.

Success in this endeavor will require unprecedented cooperation between government, industry, and academia, as well as strong international partnerships. The cost of inaction - in terms of national security, economic competitiveness, and human welfare - far exceeds the investments required for implementation.