# GCI Response to OSTP's Request for Information: Regulatory Reform on Artificial Intelligence

## Executive Summary

The United States stands at a critical inflection point in artificial intelligence development, where strategic policy decisions made today will determine our competitive position and global leadership for decades to come. The General Catalyst Institute (GCI) welcomes the opportunity to contribute to the Regulatory Reform on Artificial Intelligence initiative by sharing insights from our ecosystem of innovative portfolio companies that are pioneering novel approaches across the AI landscape. These organizations represent diverse sectors including healthcare, talent management, enterprise knowledge systems, and AI infrastructure, providing a comprehensive view of both challenges and opportunities.

Our analysis reveals five key priorities that should guide AI regulatory reform in alignment with America's AI Action Plan's goal to "achieve global dominance in AI":

1. Establishing model-agnostic frameworks that enable innovation while ensuring safety,
2. Streamlining regulatory pathways for AI-augmented healthcare solutions,
3. Creating clear guidance for skills-based AI applications in workforce development,
4. Developing interoperability standards that protect data privacy while enabling AI advancement, and
5. Implementing a market-based approach to AI model selection that strengthens U.S. competitive advantage.

These priorities directly support the Action Plan's directive to identify and address "Federal regulations that hinder AI innovation or adoption" while maintaining appropriate safeguards for public trust and safety.

The path forward requires addressing implementation barriers through coordinated public-private partnerships, regulatory modernization, and targeted investments in both AI infrastructure and workforce development. By fostering regional AI innovation hubs, aligning regulatory frameworks with technological realities, and creating incentives for responsible AI development, the United States can accelerate AI adoption while safeguarding public interests. The economic impact would be measured in hundreds of

billions of dollars annually, with benefits distributed across diverse regions, sectors, and communities, directly advancing the Action Plan's vision for American global leadership in AI.

## Company Information

The General Catalyst Institute (GCI) was established to advance the mission of General Catalyst, a venture capital firm with over $40 billion in assets under management and over 800 portfolio companies. The Institute brings together entrepreneurs, policymakers, and civic leaders to address critical challenges facing our nation and the world. GCI serves as a platform for collaboration between the private and public sectors, focusing on responsible innovation that addresses critical societal challenges. Through our work with portfolio companies, government agencies, academic institutions, and other stakeholders, we aim to develop frameworks and initiatives that harness the power of technology for positive impact.

General Catalyst's portfolio includes numerous companies at the forefront of AI innovation across multiple sectors. The insights shared in this response draw from the experiences of these companies, which collectively represent billions of dollars in investment and tens of thousands of jobs created. Our portfolio companies are developing and deploying AI solutions that enhance healthcare delivery, transform workforce development, revolutionize enterprise knowledge management, and create new paradigms for AI infrastructure and deployment. Each of these areas represent all critical components for achieving the "global dominance in AI" as envisioned in America's AI Action Plan.

The General Catalyst Institute is led by Teresa Carlson, who has extensive public and private sector experience, including leadership roles at AWS, Microsoft, and Salesforce. Under her guidance, GCI works to bridge the gap between technological innovation and public policy, ensuring that advances in fields like AI serve the broader public interest while maintaining America's competitive edge in alignment with the Action Plan's strategic objectives.

## Bottom Line Up Front

The current regulatory landscape for AI was largely established before the emergence of modern AI capabilities, creating unnecessary friction that impedes innovation while failing to address genuine risks. Our portfolio companies consistently report that regulatory uncertainty, outdated frameworks, and fragmented oversight create significant barriers to AI development and deployment. These challenges are particularly acute in regulated industries like healthcare, where AI solutions could dramatically improve outcomes and reduce costs but face complex approval pathways designed for different technologies.

At the same time, we recognize that appropriate guardrails are essential for building public trust and ensuring that AI development proceeds responsibly. The key is to develop regulatory approaches that are principles-based rather than prescriptive, technology-neutral rather than technology-specific, and focused on outcomes rather than processes. Such approaches would provide the flexibility needed for innovation while establishing clear expectations for safety, efficacy, and ethical use. The approaches directly address the AI Action Plan's recognition that "the realization of the benefits from AI applications cannot be done through complete de-regulation, but require policy frameworks, both regulatory and non-regulatory."

Based on the experiences of our portfolio companies, we have identified five key priorities for regulatory reform:

(1) Establishing model-agnostic frameworks that enable innovation while ensuring safety,

(2) Streamlining regulatory pathways for AI-augmented healthcare solutions,

(3) Creating clear guidance for skills-based AI applications in workforce development,

(4) Developing interoperability standards that protect data privacy while enabling AI advancement, and

(5) Implementing a market-based approach to AI model selection that strengthens U.S. competitive advantage.

As Teresa Carlson, Founding President of the General Catalyst Institute, has noted: "Throughout my career in both public and private sectors, I've witnessed firsthand that our nation is at its most innovative and effective when private sector partners unite around a shared vision of national impact."

The time for bold action on AI regulatory reform is now. Let us work together to create a regulatory environment that unleashes American innovation while safeguarding our values: one that positions the United States as the undisputed global leader in responsible, beneficial AI for generations to come.

## Detailed Responses

| RFI Question | GCI Recommendation | Supporting Evidence | Expected Impact |
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| (i) What AI activities, innovations, or deployments are currently being inhibited, delayed, or otherwise constrained due to Federal statues, regulations, or policies? Please describe the specific barrier and the AI capability or application that would be enabled if it was addressed. The barriers may directly hinder AI development or adoption or indirectly hinder through incompatible policy frameworks. | Establish model-agnostic regulatory frameworks that focus on outcomes rather than technical specifications, allowing for innovation while ensuring safety and efficacy. | The experiences of our portfolio companies and partners demonstrate how model-agnostic approaches enable organizations to select the best LLMs for different use cases while maintaining enterprise-grade security. Their customers report saving 2-3 hours per employee per week through AI-enhanced knowledge work, with one technology company citing 30% faster onboarding and another saving 15,000 hours monthly.<br><br>Additionally, our partners in enterprise AI have developed platforms that unify organizational knowledge with over one hundred native connectors and enterprise knowledge graphs that capture content, people, and activity to give AI assistants full, permissioned context. This model-agnostic approach allows customers to choose optimal LLMs for specific use cases while ensuring | A model-agnostic regulatory approach would accelerate AI adoption across sectors, potentially generating hundreds of billions in economic value while ensuring appropriate safeguards. Organizations could deploy the most effective AI solutions for their specific needs without being locked into particular technical approaches or vendors.<br><br>This would also foster a more competitive AI ecosystem where innovation is rewarded based on performance rather than market dominance, directly supporting America's AI Action Plan's goal to "achieve global dominance in AI" through a diverse, innovative ecosystem rather than a single approach. |

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| | | zero data retention and no training on customer data, all governed by enterprise-grade security. | |

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| (ii) What specific Federal statutes, regulations, or policies present barriers to AI development, deployment, or adoption in your sector? Please identify the relevant rules and authority with specificity, including a cite to the Code of Federal Regulations (CFR) or the U.S. Code (U.S.C.) where applicable. | Streamline regulatory pathways for AI-augmented healthcare solutions by creating specialized review processes that recognize the unique characteristics of AI systems while maintaining safety standards. | The experiences of our portfolio companies and partners in clinical AI, with 18 FDA clearances, demonstrates how AI can enhance healthcare delivery when regulatory pathways are navigable. At one leading medical center, AI-augmented triage reduced inpatient length of stay by more than two days for patients with intracranial hemorrhage and pulmonary embolism, while improving radiologist read-time efficiency by 35%.<br><br>Similarly, safety-first AI agents have shown a 5% absolute reduction in readmission rates and enabled one health system to complete 618,000+ multilingual community health needs assessments in just ten days. Further evidence comes from our partners in digital health who have conducted over 500,000 test calls with licensed clinicians to ensure their AI agents meet rigorous clinical standards. Despite this extensive validation, a lack of clear FDA guidance | Streamlined regulatory pathways for healthcare AI could accelerate adoption of solutions that improve clinical outcomes, reduce costs, and address workforce shortages.<br><br>The potential impact includes millions of lives improved, billions in healthcare cost savings, and strengthened U.S. leadership in healthcare innovation. For example, AI-augmented triage alone could save thousands of hospital days annually per institution, while AI-enabled preventive care could significantly reduce the burden of chronic disease management, which currently accounts for 86% of U.S. healthcare costs.<br><br>This directly addresses the Action Plan's focus on identifying "regulatory and procedural barriers that unnecessarily slow safe, beneficial AI deployment" in critical sectors like healthcare. |

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| | | on non-diagnostic AI created unnecessary delays in deployment.<br><br>Another partner in digital physical therapy has demonstrated 38% better functional outcomes in post-op rehabilitation compared to in-person care, with completion rates of 71-89% versus 30-50% for conventional care, delivering average medical cost savings of $3,177 per member annually. | |
| (iii) Where existing policy frameworks are not appropriate for AI applications, what administrative tools (e.g., waivers, exemptions, experimental authorities) are available, but underutilized? Please identify the administrative tools with specificity, citing the CFR or U.S.C. where applicable. | Create clear guidance for skills-based AI applications in workforce development, recognizing that traditional regulatory frameworks for employment and education may not address the unique capabilities of AI in skills assessment and matching. | The experiences of our portfolio companies and partners in talent intelligence have demonstrated transformative results in workforce development, including 75% reduction in time-to-hire (from 45 to 11 days) for a Fortune 100 manufacturing firm, saving $12M annually in recruitment fees. Their AI models understand over one million skills and titles and over one billion career trajectories, enabling tangible gains like reduced turnover (15-20% drop in retail pilots) and innovation acceleration (40% faster R&D team assembly).<br><br>Additional evidence comes from partners who have enabled 35% more underrepresented talent to enter high-growth fields like tech and finance, fostering innovative ecosystems | Clear regulatory guidance for skills-based AI would unlock workforce mobility, reduce hiring bias, accelerate reskilling initiatives, and strengthen labor market resilience. This could help address critical workforce shortages in key sectors while creating more equitable pathways to economic opportunity.<br><br>The ripple effects include projections of over $1 trillion in GDP uplift over a decade via optimized human capital, positioning the U.S. as a leader in AI-augmented workforces while safeguarding supply chains against disruptions.<br><br>Specific impacts would include faster matching of workers to in-demand roles, more efficient upskilling pathways, and reduced |

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| | | across the country. In the national security sector, our partners have enhanced resilience by accelerating talent pipelines for defense and critical infrastructure, matching cleared professionals to roles 50% faster for federal contractors, helping mitigate shortages in cybersecurity and aerospace amid geopolitical tensions. | structural unemployment. These are all critical components for maintaining the skilled workforce necessary to achieve the Action Plan's vision for American leadership in AI. |

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| (iv) Where specific statutory or regulatory regimes are structurally incompatible with AI applications, what modifications would be necessary to enable lawful deployment while preserving regulatory objectives? | Develop interoperability standards that protect data privacy while enabling AI advancement, focusing on secure data sharing, model transparency, and responsible AI governance. | The experiences of our portfolio companies and partners in AI-driven digital health demonstrate how combining AI with human expertise can create scalable solutions that improve clinical outcomes while reducing costs. Their approach has achieved 38% better functional outcomes in post-op rehab compared to in-person care, with completion rates of 71-89% (versus 30-50% for conventional care), delivering an average of $3,177 in medical cost savings per member annually.<br><br>Our partners in healthcare AI have also shown how AI can expand capacity for chronic care management, with one organization increasing capacity by 360% for diabetes management, enabling more frequent check-ins and maintaining consistent patient engagement.<br><br>In enterprise settings, our partners have demonstrated how unified knowledge platforms with secure data sharing capabilities can drive measurable productivity while maintaining strict data governance, with typical customers | Interoperability standards would enable secure data sharing across organizations and sectors, accelerating AI development while protecting privacy and security. This would be particularly valuable in healthcare, financial services, and other regulated industries where data silos currently impede innovation.<br><br>By establishing clear standards for data sharing, model transparency, and responsible AI governance, these modifications would preserve regulatory objectives while enabling lawful deployment of AI applications that could dramatically improve outcomes and reduce costs.<br><br>The economic impact would include billions in productivity gains and cost savings, while also advancing public health, financial inclusion, and other societal goals directly supporting the Action Plan's recognition that "suitable policy frameworks enable innovation while safeguarding the public interest." |

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| | | launching in weeks and maintaining strong engagement with approximately 40% DAU/MAU and an average of 5 queries per user per day, evidence that AI platforms can become part of daily workflows rather than stand-alone pilots. | |
| (v) Where barriers arise from a lack of clarity or interpretive guidance on how existing rules cover AI activities, what forms of clarification (e.g., standards, guidance documents, interpretive rules) would be most effective? | Develop comprehensive AI implementation playbooks for regulated industries that provide clear, actionable guidance on how existing regulations apply to AI systems, with industry-specific use cases and compliance frameworks. | The experiences of our portfolio companies and partners in healthcare AI highlight how regulatory uncertainty creates significant friction in AI adoption. One partner developing safety-focused AI healthcare agents found that despite conducting over 500,000 test calls with licensed clinicians to validate safety, the lack of clear FDA guidance on non-diagnostic AI created unnecessary delays in deployment.<br><br>Similarly, partners in enterprise AI report that unclear data governance requirements across sectors lead to overly conservative implementations that limit AI's potential impact.<br><br>Our partners in manufacturing AI have also encountered challenges navigating regulatory frameworks | Comprehensive implementation playbooks would accelerate AI adoption by reducing regulatory uncertainty, lowering compliance costs, and creating clear pathways for responsible innovation. This would be particularly valuable in heavily regulated industries like healthcare, financial services, and transportation, where the potential benefits of AI are enormous but regulatory uncertainty creates significant barriers to adoption.<br><br>By providing clear, actionable guidance on how existing regulations apply to AI systems, these playbooks would enable organizations to confidently deploy AI solutions that comply with regulatory requirements while delivering substantial benefits in terms of |

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| | | designed for traditional manufacturing approaches, which impede new models that could dramatically reduce costs and accelerate innovation. For example, automotive regulations assume traditional manufacturing approaches with paint shops and complex option packages, creating barriers for simplified "SKU of 1" models that eliminate complexity while maintaining customization options. | improved outcomes, reduced costs, and enhanced competitiveness.<br><br>The economic impact would include faster time-to-market for AI innovations, reduced compliance costs, and accelerated adoption of beneficial AI applications. Such impacts directly address the Action Plan's concern that "most existing Federal regulatory regimes and policy mechanisms were developed before the rise of modern AI technologies." |

## Implementation Barriers and Mitigation

The successful implementation of AI regulatory reform faces several significant barriers that must be addressed through coordinated policy action. First among these is the fragmentation of federal oversight across multiple agencies, which creates confusion for AI developers and deployers while diluting the impact of federal guidance. Our portfolio companies consistently report challenges navigating the complex landscape of federal AI programs and regulations, with overlapping mandates and inconsistent requirements creating unnecessary friction that directly impedes the Action Plan's goal to accelerate AI innovation and adoption.

To address this barrier, we recommend establishing a National AI Coordination Office within the Executive Office of the President, with authority to align AI policies across agencies, standardize application processes, and create a single point of entry for organizations seeking federal guidance on AI deployment. This office would not replace existing regulatory authorities but would ensure that these authorities operate in a coordinated manner, reducing duplication and inconsistency. This approach directly supports the Action Plan's directive to "work with relevant Federal agencies to take appropriate action" on regulatory barriers.

Regulatory uncertainty represents another major barrier to AI innovation and adoption. Our partners have demonstrated that AI can dramatically improve outcomes across sectors, but regulatory frameworks designed for different technologies often impede these new models. For example, healthcare regulations assume traditional approaches to medical decision-making, creating barriers for AI-augmented solutions that could enhance clinical judgment and improve patient outcomes. Similarly, workforce regulations may not accommodate skills-based approaches enabled by AI, limiting opportunities for more equitable and efficient talent matching. This aligns with the Action Plan's recognition that existing regulatory regimes "often rest on assumptions about human-operated systems that are not appropriate for AI-enabled or AI-augmented systems."

To mitigate these barriers, we recommend that federal agencies develop AI-specific guidance that clarifies how existing regulations apply to AI systems, identifies areas where regulatory flexibility may be appropriate, and establishes clear pathways for compliance. This guidance should be developed through robust stakeholder engagement, including input from AI developers, deployers, and affected communities. It should also be regularly updated to reflect technological advances and emerging best practices directly addressing the Action Plan's focus on identifying and addressing regulatory barriers while maintaining appropriate safeguards.

Workforce limitations present a third significant barrier, as many federal agencies lack personnel with the technical expertise needed to effectively oversee AI systems. This can lead to overly cautious approaches that unnecessarily restrict innovation or, conversely, to inadequate oversight that fails to address genuine risks. To address this barrier, we recommend targeted investments in AI expertise within federal agencies, including both hiring specialized personnel and providing training for existing staff. These investments should be complemented by mechanisms for engaging external experts, such as advisory committees and public-private partnerships. This approach recognizes the Action Plan's implicit understanding that achieving global dominance in AI requires not just policy changes but also organizational capacity building within government.

## Enabling Nationwide Impact

Achieving the full potential of AI requires a comprehensive approach that extends beyond regulatory reform to address broader ecosystem challenges. We propose a framework for enabling nationwide impact that rests on regional innovation hubs, workforce development, infrastructure investment, and international coordination. These all embody critical components for achieving the Action Plan's vision of American leadership in AI.

Regional innovation hubs would bring together AI developers, deployers, researchers, and policymakers in specific geographic areas, creating ecosystems that accelerate innovation while ensuring that the benefits of AI are broadly distributed. These hubs would build upon existing strengths in regions across the country, from healthcare AI in Boston and Nashville to manufacturing AI in the Midwest to enterprise AI in Silicon Valley. Federal support for these hubs could include research funding, regulatory sandboxes, and infrastructure investments, complemented by state and local initiatives and private sector engagement. This approach directly supports the Action Plan's goal of achieving global dominance in AI by fostering innovative ecosystems throughout the country rather than in just a few coastal tech centers.

Workforce development is essential for ensuring that Americans have the skills needed to develop, deploy, and work alongside AI systems. This requires investments in AI education at all levels, from K-12 through higher education to mid-career training and reskilling. It also requires novel approaches to credentialing that recognize skills acquired through non-traditional pathways, as demonstrated by our partners' work in skills-based talent matching. Federal programs should prioritize inclusive approaches that expand opportunities for underrepresented groups and regions, ensuring that the benefits of AI are broadly shared. This aligns with the Action Plan's implicit recognition that achieving global dominance in AI requires a skilled workforce capable of developing and deploying advanced AI systems.

Infrastructure investment is needed to support AI development and deployment, including both physical infrastructure (such as computing resources and broadband connectivity) and digital infrastructure (such as data repositories and testing environments). These investments should be designed to address disparities in access to AI resources, ensuring that organizations of all sizes and in all regions can participate in the AI economy. They should also incorporate appropriate safeguards for privacy, security, and responsible use. This approach supports the Action Plan's goal of accelerating AI innovation and adoption by ensuring that the necessary infrastructure is in place to support AI development and deployment across the country.

International coordination is critical for ensuring that U.S. leadership in AI translates into global influence on AI governance. This requires active engagement in international standards-setting bodies, bilateral and multilateral agreements on AI cooperation, and strategic partnerships with like-minded countries. It also requires a clear articulation of U.S. values and interests in AI, including commitments to human rights, democratic principles, and economic opportunity. By leading international efforts on responsible AI governance, the United States can shape global norms in ways that reflect our values while creating opportunities for U.S. companies and workers. Such actions directly

support the Action Plan's goal to "achieve global dominance in AI" through both technological leadership and normative influence.

## Conclusion

The United States stands at a pivotal moment in the development of artificial intelligence, with the potential to establish global leadership in responsible AI innovation that drives economic growth, enhances national security, and improves quality of life. The regulatory reforms outlined in this response would remove unnecessary barriers to AI development and deployment while ensuring appropriate safeguards for safety, privacy, and ethical use. Such actions directly support America's AI Action Plan's goal to "achieve global dominance in AI" while maintaining public trust and safety.

By focusing on model-agnostic frameworks, streamlined healthcare pathways, clear workforce guidance, interoperability standards, comprehensive AI implementation playbooks and market-based model selection, these reforms would address the most pressing challenges faced by AI innovators while advancing broader public interests. These priorities directly align with the Action Plan's directive to identify and address "Federal regulations that hinder AI innovation or adoption" while recognizing that "the realization of the benefits from AI applications cannot be done through complete de-regulation, but require policy frameworks, both regulatory and non-regulatory."

The examples from our portfolio companies demonstrate that these approaches are not merely theoretical but have been proven effective in real-world applications. From clinical AI platforms that reduce hospital stays and improve radiologist efficiency, to talent intelligence platforms that transform workforce development, to enterprise AI that enhances knowledge work productivity, to LLM routing that creates strategic advantages through model selection, these innovations represent transformative changes in how AI is conceived, developed, and deployed. By embracing these innovations at scale, the United States can accelerate AI adoption across sectors, create hundreds of thousands of high-quality jobs, strengthen national security, and position itself as the global leader in next-generation AI technologies. These actions directly advance the Action Plan's vision for American leadership in AI.

The economic impact would be measured in hundreds of billions of dollars annually, with benefits distributed across diverse regions and communities. Healthcare AI alone could save hundreds of billions in costs while improving outcomes for millions of patients. Workforce AI could address critical talent shortages while creating more equitable pathways to economic opportunity. Enterprise AI could enhance productivity across sectors, making U.S. companies more competitive globally. And strategic approaches to AI

model selection could strengthen U.S. advantages against state-backed competitors. These outcomes directly support the Action Plan's goal of achieving global dominance in AI through a comprehensive approach that addresses both technological innovation and broader economic and societal benefits.

Achieving this vision requires coordinated action across government, industry, and academia. The recommendations outlined in this response provide a framework for such coordination, addressing both immediate opportunities and long-term strategic priorities. By establishing clear goals, aligning programs across agencies, and creating effective public-private partnerships, the federal government can accelerate the transformation of American AI while ensuring broad-based economic benefits, thereby directly supporting the Action Plan's directive to "work with relevant Federal agencies to take appropriate action" on regulatory barriers.

The General Catalyst Institute and our ecosystem of innovative companies stand ready to partner with OSTP and other federal agencies in this critical endeavor. Together, we can build an AI future that combines technological leadership with economic inclusivity, ethical responsibility, and national resilience. The time for bold action is now; let us seize this opportunity to secure America's AI leadership for generations to come.

Respectfully submitted,

The General Catalyst Institute

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# Table of Acronyms

| **Acronym** | **Definition** |
|---|---|
| AI | Artificial Intelligence |
| GCI | General Catalyst Institute |
| LLM | Large Language Model |
| OSTP | Office of Science and Technology Policy |
| RFI | Request for Information |
| FDA | Food and Drug Administration |
| ROI | Return on Investment |
| R&D | Research and Development |