# Trump administration considers overhaul of Biden-era AI chip export controls



The Trump administration is currently reviewing a Biden-era policy that restricts global access to advanced artificial intelligence (AI) chips, with potential significant changes under consideration. According to a Reuters report citing three sources, the current regulation, known as the Framework for Artificial Intelligence Diffusion, was established by the US Department of Commerce in January 2025. This framework sets a three-tier system categorising countries by their access rights to these semiconductor chips.

Under the existing tiered structure, the first tier—comprising 17 countries plus Taiwan—enjoys unrestricted access to advanced AI chips. A second tier of approximately 120 countries faces limitations on the quantity of chips they can obtain, while a third tier, which includes China, Russia, Iran, and North Korea, is completely prohibited from accessing these technologies.

One significant revision being examined involves moving away from the tiered system towards a global licensing regime. This new approach would focus on direct government-to-government agreements, potentially using US-designed chips as a strategic tool in international trade negotiations. Wilbur Ross, former Secretary of Commerce under President Trump, said in an interview with Reuters, “There are some voices pushing for elimination of the tiers. I think it’s still a work in progress.” Ross also mentioned that government-to-government agreements could represent a viable alternative.

In addition to this potential structural change, the administration is also considering adjustments to licensing exceptions. Presently, orders below the equivalent of approximately 1,700 units of Nvidia’s H100 chips are exempt from country-specific caps, requiring only governmental notification. One proposed alteration would reduce this exemption threshold to orders under 500 H100 chips, further tightening access.

The US Commerce Department has declined to comment on these developments, and the White House has not responded to requests for remarks.

The current framework has received criticism from industry leaders. Ken Glueck, Executive Vice-President at Oracle, highlighted inconsistencies within the tier system, noting that Israel and Yemen are both placed in Tier 2 despite vastly different geopolitical and economic contexts. Both Oracle and Nvidia expressed opposition to the regulatory measures following their implementation earlier this year.

Concerns from the industry focus on the possibility that these restrictions might push countries in the second tier to seek alternatives from China, where cheaper and unregulated substitutes for these chips are available. This concern is shared by seven Republican senators who, in mid-April, sent a letter to US Commerce Secretary Howard Lutnick, urging reconsideration of the export controls.

In March 2025, the US government imposed export restrictions on 80 companies, over 50 of which are based in China, including their addition to the Entity List by the Bureau of Industry and Security (BIS). This list subjects them to stringent export controls intended to limit their access to advanced US technologies.

The Biden administration's approach had already indicated interest in leveraging export controls within broader trade discussions, with Secretary Lutnick signalling in March 2025 a willingness to integrate these controls more directly into international trade policy.

The verdict.co.uk is reporting on these developments, highlighting an ongoing debate within US policymaking circles about how best to regulate and control access to AI chip technology amidst complex global economic and security considerations. The discussions reflect a balancing act between protecting US technological advantages and managing international trade relations.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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