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Trump's Second-Term National AI Strategy: Insights from the 'Stargate Project'

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Abstract

On January 21, President Trump announced the Stargate Project, a $500 billion national AI infrastructure initiative. This project, led by big tech companies and strategic investors such as OpenAI, SoftBank, and Oracle, aims to establish data centers, semiconductor manufacturing bases, and cloud service infrastructure across the United States from 2025 to 2029. However, its impact will likely extend beyond merely expanding AI infrastructure as it aligns with the Trump 2.0 administration's long-term agenda, which includes △ economic growth and job creation, △ U.S. energy independence, and △ deregulation to accelerate innovation. The Republic of Korea needs to adopt an 'AI statecraft' approach that considers not only the technological and institutional aspects of the domestic AI ecosystem but also its diplomatic and security outlooks. The Stargate Project's goal of achieving full AI production and service infrastructure within the U.S. will be difficult to realize in the short to medium term and requires boosted collaboration with trusted partners. This presents an opportunity for the Republic of Korea, given its significant presence in key sectors of the AI industry. At this critical juncture, rather than solely focusing on pursuing the most advanced technology, it is essential to identify strategic areas within the AI infrastructure where we can leverage our strengths in security and economic influence.

Keywords

AI, Stargate Project, data infrastructure, MAGA

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MAGA Policy #1: The Stargate Project

Until now, U.S. AI policy has primarily focused on fostering generative AI innovation, expanding its applications across industries, and solidifying a global AI supply chain and standards centered around American models. Companies such as OpenAI, Anthropic, Microsoft, Meta, Google, Amazon, and Tesla have spearheaded generative AI advancements, with other countries largely relying on U.S. AI technologies.

Against this backdrop, President Trump acted swiftly on the first day of his second term by revoking the AI executive order issued by the previous Biden administration, which had focused on AI safeguards and privacy protections. Instead, he signed the Executive Order on Removing Barriers to American Leadership in AI, which dismantles various regulatory restrictions and sets a new course for U.S. dominance in AI.

The next day, on January 21, Trump announced the Stargate Project, a $500 billion national AI infrastructure initiative. This ambitious program underscores the administration's urgent recognition of AI as a critical factor in global dominance. As the first official MAGA (Make America Great Again) policy of Trump's second term, it carries a clear message: "AI, too, must be made in America."

Key Participants and Goals of the Stargate Project

The project builds upon a proposal made by OpenAI CEO Sam Altman in November 2024, aimed at strengthening the foundation of U.S. AI leadership. Over the next four years, from 2025 to 2029, the initiative will build new AI infrastructure, including data centers, semiconductor production bases, and cloud computing hubs across the country. However, its impact is not limited to data infrastructure alone. Through this project, the U.S. expects to not only generate revenue in the rapidly growing global AI market but also revitalize its manufacturing industry.

With robotics companies like Boston Dynamics, acquired by SoftBank, leading the project, employing AI robots in industrial settings will help accelerate automation. Additionally, to implement this transformation, the project will expand global data connectivity through 5G ultra-high-speed networks and integrate the Internet of Things (IoT), creating an environment for real-time communication.

President Trump has emphasized that the project will not only strengthen the U.S. manufacturing base but also bring benefits to the healthcare sector, such as improving disease treatment and early detection methods. Furthermore, considering the security significance of AI, he argues that the project will contribute to national security for both the U.S. and its allies. In addition to U.S. big tech firms involved in building AI infrastructure, such as OpenAI, Oracle, Microsoft, and NVIDIA, international investors and technology partners, including SoftBank (Japan), MGX (UAE), and ARM (UK), are also participating.

Notably, the Stargate Project focuses on developing Artificial General Intelligence (AGI), which symbolizes the next wave of AI innovation beyond generative AI. This initiative aims to accelerate the era in which AGI becomes universally accessible to humanity,

with a clear intention for the U.S. to take the lead in its development.

Job Creation, Energy Independence, and Regulatory Reform to Drive Innovation

Beyond securing U.S. dominance in the global AI sector, the Stargate Project aligns with President Trump's vision for positive ripple effects within the U.S. economy, a key theme emphasized during his presidential campaign. At that time, Trump asserted that AI leadership is essential for economic growth and technological innovation while expressing his determination to use it to achieve economic growth and job creation, energy independence, and regulatory reform as a driving force for continuous innovation.

First, regarding job creation and economic growth, the project aims to create over 100,000 jobs with a $500 billion investment, directly aligning with Trump's campaign promises to strengthen the U.S. manufacturing base and expand high-quality employment opportunities. According to The National CIO Review ("Stargate Project: Major Tech Collaboration to Create 100,000 Jobs in AI Sector," January 22, 2025), the project is expected to generate jobs across various industries, including the design and construction of data center infrastructure; power plant operations; semiconductor equipment manufacturing; AI software engineering; and indirect employment effects in small and medium-sized enterprises (SMEs), startups, and energy grid management.

Second, regarding energy independence and AI infrastructure, the Stargate Project is closely linked to Trump's long-standing advocacy for expanding fossil fuel production and ensuring a stable energy supply. Operating the newly built data centers, which are essential for training AI models, will require an

enormous amount of electricity. Large-scale AI clusters are known to consume as much energy as a small city. However, renewable energy sources such as solar and wind power, which the previous administration promoted, have been criticized for their high costs and unreliable power supply. To ensure the stable operation of AI infrastructure, the Trump administration considers fossil fuel-based power generation, such as coal and oil, as a more suitable alternative, given the U.S.' abundant reserves of these resources. This policy direction could also lead to the expansion of shale gas and natural gas extraction, as well as increased support for coal and nuclear power plants.

Third, the Trump administration is demonstrating its commitment to roll back regulations that hinder AI development and innovation, aiming to establish a clear advantage over China. The core principle of Trump's second-term AI policy is "eliminating government regulations that obstruct private-sector AI innovation and ensuring corporate autonomy." This stance was also a key agenda item in the Project 2025 policy document, which sparked controversy during the presidential campaign.

Thus, the administration will likely simplify or exempt regulations imposed by the Environmental Protection Agency (EPA) that currently apply to infrastructure expansion such as data centers and semiconductor manufacturing facilities. Additionally, AI semiconductor and data industry regulations will be relaxed to encourage corporate research and development (R&D) and market expansion. In particular, the administration is also likely to significantly ease restrictions on corporate collection and use of personal and user data for AI model training and improvement.

Trump has also strongly opposed the European Union's strict AI regulations, viewing them as a form of taxation on U.S. big tech companies. This signals a more aggressive stance on the global AI

regulatory framework, challenging the EU's regulatory dominance.

Silicon Valley's Response and China's Countermove

Just three days after the Stargate Project announcement, Meta (formerly Facebook) pledged a $65 billion investment in AI infrastructure, aiming to secure 1.3 million GPUs, recruit top AI talent, and construct a massive 2-gigawatt (GW) data center. Meta CEO Mark Zuckerberg stated that Meta AI would secure over one billion users and dominate the AI assistant market, while LLaMA 4 would emerge as the most advanced AI model.

Meta's decision to allocate an AI infrastructure budget far exceeding Wall Street's expectations reflects its concerns about falling behind OpenAI and other core companies involved in the Stargate Project. With the next-generation AI service market dominated by Stargate participants, the gap between these companies and their competitors in AI infrastructure could become nearly impossible to close. Furthermore, Meta's emphasis on how this investment will not only advance its AI products and business but also contribute to the expansion of U.S. technological leadership underscores its alignment with the Trump administration's vision for AI supremacy. While U.S. big tech firms are racing to secure AI infrastructure, China has responded with its own AI breakthrough despite its relatively weaker infrastructure. Its new AI model, DeepSeek, has emerged with performance comparable to that of top U.S. AI models.

On January 23, The New York Times reported that Chinese AI startup DeepSeek recently published a technical report revealing that the development cost of its latest AI model, DeepSeek-V3, was $5.576 million (approximately 7.88 billion KRW)—about one-sixteenth of the development cost of Meta's latest AI model, LLaMA 3. Moreover, DeepSeek-V3 was trained using NVIDIA's

lower-end GPU, the H800, yet its performance did not show significant differences compared to high-end AI models.

The impact of this development is amplified by the fact that DeepSeek has achieved both cost and performance innovation in less than two years since its founding, continuously releasing open-source AI models and large language models. As a result, DeepSeek's rise reinforces the urgency for the Stargate Project to materialize its vision at a faster pace. Additionally, the emergence of a strong AI open-source competitor not only underscores the need for further self-driven innovation but also intensifies the necessity for tightening U.S. sanctions against China.

Implications for the Republic of Korea (ROK)

In September 2024, the Republic of Korea launched its National Artificial Intelligence Committee with the goal of becoming a "top-three AI powerhouse" and establishing itself as a global pivotal state through AI advancement. This initiative includes key strategies such as expanding national AI infrastructure, increasing private-sector AI investment, and promoting comprehensive digital transformation based on AI (AX Strategy).

Regarding private-sector leadership and innovation driven by infrastructure expansion, the Stargate Project shares a common approach with the ROK's strategy. However, the ROK's current AI capabilities face fierce competition not only from the AI G2—the U.S. and China—but also from emerging AI-leading nations such as Singapore, the UK, and Canada. To maintain a leading position in the intensifying global AI race, South Korea must achieve a balanced development across three key dimensions: △Implementation Capacity (human resources, infrastructure, and operational environment), △Innovation Capacity (research and development), and △Investment (detailed strategies and industrialization). However, South Korea's

unfavorable political and economic conditions limit the country's ability to enhance its comprehensive AI capacity. Consequently, setting clear priorities within its AI development roadmap has become increasingly challenging.

At this juncture, what is needed beyond vision is a statecraft-oriented approach to AI—one that enables practical implementation. This means conducting an objective assessment of ROK's AI capabilities across multiple dimensions and identifying both opportunities and challenges within the global AI landscape. A comprehensive approach is required, taking into account not only the technological and institutional aspects of the domestic AI ecosystem but also diplomatic and security outlooks.

From this perspective, the launch of Trump's Stargate Project underscores the need for the ROK to broaden its strategic outlook when formulating policies to strengthen its national AI capacity. Additionally, DeepSeek's AI shockwave has proved that developing efficient AI requires not only cutting-edge technology but also optimization technologies, human capital, and operational environments—highlighting the growing importance of non-technological AI infrastructure. At the same time, South Korea faces regulatory and logistical challenges related to energy supply (e.g., electricity demand) and natural resource usage (e.g., data center cooling water), which must be effectively managed to support AI growth.