

AI Policy Newsletter June 26, 2026

At a Glance

- On June 24, the Ratepayer Protection Act – legislation introduced by Reps. Gabe Evans (R-CO) and Kathy Castor (D-FL) – passed the House Energy & Commerce Energy Subcommittee by voice vote. The legislation would amend the Public Utility Regulatory Policies Act (PURPA) to require large-load customers to cover the full incremental costs of grid upgrades needed to serve their facilities, codifying the principles underlying the voluntary Ratepayer Protection Pledge commitments made by Amazon, Google, Meta, Microsoft, OpenAI, Oracle, and xAI to cover their own data center energy costs.
- On June 12, the Commerce Department issued an export control directive requiring Anthropic to obtain U.S. government approval for any foreign national to access its Claude Fable 5 and Mythos 5 models — a directive Anthropic says effectively forced it to disable both models for all customers globally to ensure compliance. The government cited a jailbreak vulnerability in Fable 5, while Anthropic disputed the severity of the finding and argued that applying the standard industry-wide “would essentially halt all new model deployments.” Talks between Anthropic and the administration have since shifted toward developing a common technical framework for evaluating future jailbreaks, though the models remain offline.
- On June 4, Reps. Jay Obernolte (R-CA) and Lori Trahan (D-MA) released a 269-page bipartisan discussion draft of the Great American Artificial Intelligence Act, the most significant bipartisan legislative effort to establish a federal AI governance framework to date. The bill is organized around four titles covering frontier AI governance, workforce, cybersecurity, and research and development. Its most consequential provision is a three-year preemption of state AI laws. Despite bipartisan co-sponsorship, the bill lacks leadership backing in either chamber and has drawn opposition from labor groups and civil liberties organizations, as well as key House Democrats. Sponsors are actively soliciting stakeholder feedback with no set deadline.
- Senator Marsha Blackburn (R-TN) is working with White House AI and tech leaders to develop a legislative package addressing both artificial intelligence and protecting kids online. The bill would include limited rather than blanket preemption of state AI laws and is focused on what Blackburn calls the “four Cs”: children, content creators, communities, and censorship. The bill would also incorporate the Senate versions of the Kids Online Safety Act (KOSA) and the NO FAKES Act. Senate Commerce Chairman Cruz (R-TX) intends to hold a markup in the July work period but has not indicated precisely which proposals would be included. Given the limited number of legislative days remaining in the session and competing privacy and AI priorities in the House and Senate Commerce Committees, passage of any such proposal will be difficult.

What Else You Need to Know

Administration and Federal Updates

- On June 5, President Trump signed National Security Presidential Memorandum 11 (NSPM-11), directing the acceleration of AI adoption across defense and intelligence agencies under a four-pillar framework: Adoption, Adaptation, Assurance, and Accountability. Key provisions include: a 90-day deadline for the Pentagon to update its primary directive on autonomous weapons systems; authority for agency heads to terminate contracts with AI companies demonstrating a “repeated pattern of conduct” inconsistent with the memo’s policies, including companies the government deems are ideologically biased or are censoring free speech; and a 90-day roadmap for government-wide AI computing access.

- On June 2, President Trump signed an Executive Order on AI innovation and cybersecurity, Promoting Advanced Artificial Intelligence Innovation and Security, directing federal agencies to harden government and critical infrastructure systems against AI-enabled threats while establishing a voluntary framework for pre-release engagement between frontier model developers and the federal government. The order represents a compromise between national security hawks who sought mandatory pre-release safety reviews and the administration's accelerationist wing.
 - Key provisions include: directing CISA to issue Binding Operational Directives expanding AI-enabled defensive tools and extending cybersecurity capabilities to state and local governments and critical infrastructure operators; requiring Treasury, NSA, and CISA to establish an “AI cybersecurity clearinghouse” within 30 days to coordinate vulnerability scanning and patch distribution; and directing the Attorney General to prioritize criminal enforcement against AI-enabled cyberattacks.

Hill Happenings

- On June 25, Sens. John Curtis (R-UT), Brian Schatz (D-HI), and Mark Warner (D-VA) introduced the AI Labeling Act of 2026, bipartisan legislation requiring AI developers to embed both visible and machine-readable labels in covered AI-generated image, video, and audio content, and mandate major online platforms to preserve and display those disclosures. AI chatbots would also be required to identify themselves as such. Enforcement would fall to the FTC, with additional civil action authority granted to the Attorney General, state AGs, and private parties. The bill also directs NIST and the FTC to establish a working group to develop technical standards within one year of enactment.
- On June 23, Sens. Adam Schiff (D-CA) and John Curtis (R-UT) introduced the Safeguarding AI Features to Ensure Kids' Informed Digital Safety (SAFE KIDS) Act, bipartisan legislation targeting risks posed by AI chatbots to minors. The bill would require providers to conduct ongoing child safety risk assessments, implement design guardrails to prevent exposure to sexually explicit content, and prohibit outputs that foster emotional dependence or simulate human relationships with child users. Providers would also be barred from advertising to or targeting child users and from selling children's personal data without verifiable parental consent.
- On June 18, Reps. Sam Liccardo (D-CA), Jay Obernolte (R-CA), Ted Lieu (D-CA), and Scott Franklin (R-FL) sent a letter to Secretary Lutnick demanding transparency on the legal authorities, technical criteria, and review process underlying the decision, raising concerns about the precedent the administration's action sets for frontier AI regulation.
- On June 18, the NO FAKES Act advanced unanimously out of the Senate Judiciary Committee. Sponsored by Sens. Marsha Blackburn (R-TN) and Chris Coons (D-DE), the bill would create federal liability for individuals or companies that distribute unauthorized AI-generated digital replicas of a person's voice or visual likeness and would hold platforms liable for hosting such replicas with knowledge they were unauthorized. The bill also preempts future state laws regulating digital replicas and includes counter-notice procedures to protect free speech rights and exemptions for libraries and research institutions. The House companion bill has not advanced since its introduction last spring.
- On June 18, Sen. Bernie Sanders (I-VT) introduced the American A.I. Sovereign Wealth Fund Act, which would impose a one-time 50% excise tax on the equity of large AI companies — defined as those with \$200 million or more in annual AI-related gross receipts — and transfer those shares into a federally managed sovereign wealth fund. The fund, estimated at \$7 trillion based on current valuations, would be overseen by a seven-member Independent Commission for Democratic AI, whose members would be nominated by the President and confirmed by the Senate. The bill would also require covered companies

that operate both AI and non-AI businesses to structurally separate those operations within 90 days of enactment.

- On June 18, Reps. Diana Harshbarger (R-TN) and Kevin Mullin (D-CA) introduced the bipartisan Affordable Innovation for the Grid Act, which would direct the Secretary of Energy — in consultation with FERC and the Electric Reliability Organization — to assess how AI and high-performance computing can improve grid capacity, reliability, and efficiency.
- On June 16, the Senate Armed Services Committee released its FY2027 NDAA, which includes provisions largely banning AI from autonomously launching nuclear weapons or employing lethal force without “appropriate levels of human judgment,” while requiring regular testing, legal reviews, and a clear human chain of command. The bill also directs the Pentagon to report on how U.S. AI chips are reaching the Chinese military — via remote access and smuggling — and to recommend steps to limit their contribution to Chinese military capabilities.
- On June 16, the Senate HELP Subcommittee on Education and the American Family held a hearing on “The Future of K-12 Education in the Age of Artificial Intelligence.” Witnesses broadly agreed that AI holds significant promise for personalizing learning and reducing teacher administrative burden, but raised concerns about student data privacy, cognitive development risks, the potential to widen the digital divide, and the lack of federal research on AI's long-term effects on student learning. Tuberville and Ranking Member Blunt Rochester (D-DE) noted they have requested a GAO study on AI's effects on K-12 education, which GAO has agreed to conduct.
- On June 15, Sen. Rick Scott (R-FL) introduced the Generative AI Terrorism Risk Assessment Act, which would direct DHS to conduct annual threat assessments on how designated foreign terrorist organizations are using generative AI to radicalize recruits, spread extremist propaganda, and potentially develop weapons. Assessments would be published publicly and briefed to relevant congressional committees. Rep. August Pfluger (R-TX)'s companion bill passed the full House last November.
- On June 12, Sens. Jeff Merkley (D-OR) and Alex Padilla (D-CA) introduced the Fraudulent Artificial Intelligence Regulations (FAIR) Elections Act, which would ban false AI-generated content intended to suppress voting or harass election workers, restrict voter roll removals to cases using verified eligibility data, and prohibit the federal government from cross-referencing federal databases against state voter rolls to determine federal election eligibility. The bill is framed in part as a response to the Trump administration's use of the SAVE database, which at least 25 states have deployed to check voter eligibility since April 2025.
- On June 11, the Senate Banking Committee held a hearing on “AI and the American Dream,” covering three main themes: U.S.-China chip competition, AI financial stability risks, and workforce displacement. Ahead of the hearing, Sens. Warren (D-MA) and Blumenthal (D-CT) introduced the AI Bubble Transparency Act, which would direct the Office of Financial Research to collect data from banks, insurers, and private credit funds on their exposure to AI-related debt and equity instruments. During the hearing, members on both sides called for tightening export controls, along with stronger labor data collection and safety net investments ahead of AI-driven worker displacement.
- On June 11, Rep. Harriet Hageman (R-WY) introduced the Preventing AI Censorship Act, which creates a private right of action allowing citizens to sue federal employees who pressure AI providers to suppress, alter, or distort outputs based on viewpoint or ideology, deny user access based on political affiliation, or surveil users' prompts to penalize lawful expression.

- On June 10, Sens. Mark Kelly (D-AZ), Jim Banks (R-IN), and Todd Young (R-IN) introduced the bipartisan Artificial Intelligence Data Authorization and Transparency (AI DATA) Act, which would authorize and modernize key Bureau of Labor Statistics surveys to better track AI's impact on the workforce.
- On June 10, Rep. Don Beyer (D-VA) and Sen. Edward Markey (D-MA) reintroduced the Artificial Intelligence Environmental Impacts Act of 2026, requiring AI data centers (50 MW+) to annually report energy use, water consumption, air and water pollution, and e-waste to the EPA. The bill also directs EPA to publish a comprehensive lifecycle study on AI's environmental impacts within one year of enactment.
- On June 9, Sen. Josh Hawley (R-MO) published an op-ed in The Free Press arguing Congress must assert control over AI on three fronts: jobs (calling for government resources to help displaced workers rather than UBI), data centers (binding legal requirements — not voluntary pledges — on power and water costs), and child safety (citing the case of 16-year-old Adam Raine, who allegedly was coached toward suicide by ChatGPT, and urging a Senate floor vote on his GUARD Act, which passed the Judiciary Committee 22-0 in April).

State, International, and Third-Party Perspectives

- At the G7 summit in France, the CEOs of the world's leading AI companies — including Sam Altman (OpenAI), Dario Amodei (Anthropic), Demis Hassabis (Google DeepMind), Alexandr Wang (Meta), and Arthur Mensch (Mistral) — joined heads of state for a working lunch where discussion focused on creating an international standards body for AI testing.

A Few Interesting Reads

- **Employees Aren't Questioning AI Advice Enough** (Harvard Business Review): A new experiment revealed that employees aren't questioning AI's decision-making at their jobs, suggesting that people often actively avoid seeking additional information because knowing more might complicate their decision or create moral discomfort.
- **Behind the Curtain: Global AI wars** (Axios): The Five Eyes intelligence alliance issues a rare joint warning this week that frontier AI capable of crippling governments and businesses is close — suggesting the timeline is months, not years.
- **Google Invests \$75 Million in A24 to Develop AI-Powered Filmmaking Tools** (Variety): A new partnership between A24 and Google will fund the development of new AI-powered technologies for filmmakers, without granting Google access to A24's content library or its data. The deal represents the latest marriage between a Hollywood studio and AI in an era where companies have oscillated between partnerships and lawsuits.
- **Facebook rolls out an AI companion app for creators** (TechCrunch): This week, Facebook announced its reimagining its Creator Studio tool as a stand-alone AI companion app designed to help creators grow their audience. The app, which provides personalized recommendations based on creators' content style, performance, audience engagement, and goals, comes as Meta competes with rivals TikTok and YouTube.