

AI Policy Newsletter

September 12, 2025

At a Glance

- On September 12, Axios [reported](#) that later this month the White House Office of Science and Technology Policy (OSTP) will release a Request for Information asking for public feedback on federal regulations that hold back the development and deployment of AI. The step marks the first policy action recommended in the White House's AI action plan aimed at removing bureaucratic red tape. In an interview with Axios, OSTP Director Michael Kratsios said that Europe's comprehensive EU AI Act is "not at all the way the U.S. is approaching this" space and that the White House is instead backing a "use-case and sector-specific" framework.
- On September 10, Senate Commerce Committee Chair Ted Cruz (R-TX) [introduced](#) a legislative framework "designed to promote American leadership in artificial intelligence." The light-touch approach aims to (1) unleash American innovation and long-term growth; (2) protect free speech in the age of AI; (3) prevent a patchwork of burdensome AI regulation; (4) stop nefarious uses of AI against Americans; and (5) defend human value and dignity.
 - As a first step of this framework, Cruz introduced legislation – the [SANDBOX Act](#) - that would allow AI companies to submit an application to the relevant federal agency to "modify or waive (federal AI) regulations that could impede their work". Agencies would then make decisions on waiver applications in coordination with OSTP. While passage of any standalone AI legislation remains a high bar, the introduction of a bill from the chair of the Senate Commerce Committee is notable.
- In August, Senator Jim Banks (R-IN) introduced the [GAIN AI Act](#), legislation that would establish a mandatory "first right of refusal" for U.S. customers on advanced processors. The provision, which has been included as an amendment to the Senate's FY2026 NDAA, has received criticism from the chip industry, including from the [Information Technology Industry Council \(ITI\)](#) and [Nvidia](#), which have warned that the language would make it harder for U.S. chipmakers to compete with China. The Senate is currently working through procedural hurdles to vote on its version of the NDAA, while the House narrowly passed its separate version on September 10, in a largely partisan vote. Negotiations will be needed to sort out the differences among the House and Senate bills – as comparable language to the GAIN Act is presently not in the House-passed bill.

What Else You Need to Know

Administration and Federal Updates

- On September 11, the FTC [launched an inquiry](#) into AI chatbots acting as companions. The investigation – targeted at Alphabet, Charter, Instagram, Meta, OpenAI, Snap, and X.AI – aims to "understand what steps, if any, companies have taken to evaluate the safety of their chatbots when acting as companions, to limit the products' use by and potential negative effects on children and teens, and to apprise users and parents of the risks associated with the products."
 - On September 4, President Trump [hosted](#) a dinner with a group of Big Tech executives including Meta's Mark Zuckerberg, OpenAI's Sam Altman, Apple's Tim Cook, Microsoft's Satya Nadella, and Alphabet's Sundar Pichai. The White House described the goal of the event as an opportunity to discuss "harnessing artificial intelligence to propel the U.S. to the forefront of global innovation." First Lady Melania Trump hosted her own [convening](#) that day of the AI Education Task Force, in which the leaders of tech companies including Google CEO Sundar Pichai and IBM CEO Arvind Krishna unveiled commitments coming from the AI Education Pledge announced over the summer.
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- On August 22, President Trump [announced](#) that U.S. chipmaker Intel agreed to sell the U.S. government a 10 percent stake in its business, worth \$8.9 billion, in one of the largest government interventions in a U.S. company since the rescue of the auto industry after the 2008 financial crisis. In a social media post, Commerce Secretary Howard Lutnick called the agreement “historic” and said it would strengthen U.S. leadership in semiconductors, though some Republicans [have criticized](#) the intervention.
- On August 11, the White House [announced](#) that Nvidia and AMD have agreed to share 15% of their revenue from sales to China with the U.S. government in exchange for export licenses to sell certain chips in the country.

Hill Happenings

- On September 10, the Senate Commerce Science Subcommittee held a hearing titled “[AI’ve Got a Plan: America’s AI Action Plan](#)” featuring the testimony of White House Office of Science and Technology Policy Director Michael Kratsios. The hearing featured partisan discussion around questions of what should be considered bias or “wokeness” in large-language models and Democratic concern with the actions of the Trump administration to pull back federal science funding and diminish the federal workforce. Chairman Cruz also announced his AI legislative framework at this hearing, which is referenced above. A summary of the hearing can be found [here](#).
- On September 9, eight Democratic Senators [sent a letter](#) demanding details on the Trump Administration’s plans to expedite AI data center permitting, raising concerns that efforts to fast-track construction on federal lands could weaken environmental protections and bypass Clean Water Act safeguards.
- Lawmakers from both sides of the aisle have slammed Meta after reports that the company’s AI chatbots engage in romantic and sensual conversations with children.
 - In August, Senator Josh Hawley (R-MO) [announced](#) the Senate Judiciary Committee Subcommittee on Crime and Counterterrorism, which he chairs, would commence an investigation of the company over the reports. Next week this Subcommittee will be holding a hearing titled [Examining the Harm of AI Chatbots](#) to further address the issue.
 - On September 8, Senator Ed Markey (D-MA) [wrote](#) to Meta CEO Mark Zuckerberg urging the company to no longer allow minors to access its chatbots.
 - On September 8, Senator Jon Husted (R-OH) introduced the [Children Harmed by AI Technology \(CHAT\) Act of 2025](#), which would require AI chatbot owners and operators to implement age verification and safety measures to ensure that minors cannot access chatbots without consent from their parents.
 - On September 9, the Senate Judiciary Subcommittee on Privacy, Technology and the Law, which is chaired by Sen. Hawley, held a hearing titled “[Hidden Harms: Examining Whistleblower Allegations that Meta Buried Child Safety Research](#).” A summary can be found [here](#).
- On September 3, the House Energy and Commerce Committee held a hearing titled “[Examining Opportunities to Advance American Health Care through the Use of Artificial Intelligence Technologies](#).” Subcommittee Chair Morgan Griffith (R-VA) opened the hearing by discussing the rapid growth of AI within the sector emphasizing the ability to help patients and providers and reduce administrative burdens. A full summary of the hearing can be found [here](#).
- Also on September 3, The House Homeland Security Committee [advanced](#) legislation that would require the Department of Homeland Security to conduct annual terrorism threat assessments posed by foreign terrorist organizations’ (FTOs) use of GenAI. The bill, led by Rep. August Pfluger

(R-TX), follows the Subcommittee on Counterterrorism and Intelligence's findings that known terrorist organizations such as ISIS and al-Qaeda utilize GenAI for online recruiting, radicalization, and training. The legislation will now be considered by the full House.

- Rep. Sam Liccardo (D-CA) and the New Democrat Coalition Innovation & Technology Working group unveiled the [New Dem Innovation Agenda](#), which included broad priorities to advance American AI leadership, including federal investment in AI research, incentives for research into AI safety and security, and voluntary public-private collaboration with industry and developers.

International, State and Third-Party Perspectives

- On September 9, the California Assembly unanimously passed [AB 316](#), first-in-the-nation legislation that would prohibit AI companies from using “autonomous” chatbot behavior as a legal defense if their systems cause harm. The measure, prompted by lawsuits over chatbot interactions with children, clarifies that AI companies remain liable for damages even if AI acted “independently,” though companies will be allowed to present evidence on causation, foreseeability, or third-party fault in their defense. The bill now heads to Governor Gavin Newsom’s (D) desk.
- Anthropic publicly [endorsed](#) California’s SB 53, a bill that aims to promote transparency and risk management for frontier AI systems. While Anthropic had urged further refinements, the company praised the bill’s “trust but verify” approach to AI safety and encouraged its adoption as a foundation for broader regulation.
- On September 9, Dutch semiconductor equipment giant ASML [invested](#) €1.3 billion (\$1.5 billion) to become the largest shareholder in French AI startup Mistral AI. The deal significantly boosts Europe’s AI standing, positioning Mistral – founded by former Google DeepMind and Meta researchers – as a competitor to U.S. AI giants like OpenAI and Google.
- On August 26, Meta [announced](#) that it will launch a super PAC in California to back state-level candidates from either political party who support a light-touch approach to AI regulations. The committee will be called the Mobilizing Economic Transformation Across (Meta) California.

A Few Interesting Reads

- **Lazard adds A.I. expertise to its board** ([The New York Times](#)): Lazard appointed Perplexity AI’s Chief Business Officer, Dmitry Shevelenko, to its board of directors, underscoring the importance of AI as a boardroom priority. Lazard already uses LazardGPT and Rogo internally, while considering additional products built on Google Gemini and Perplexity. The move comes as Wall Street leaders increasingly adopt AI to drive greater accuracy and efficiency.
- **World-Changing AI Is Raising US Electricity Bills** ([Forbes](#)): A new Consumer Price Index report found that the cost of electricity is rising at more than double the rate of inflation – in part as a result of the unprecedented electricity demand of the AI data centers sector.
- **College is under AI’s cloud, but students still choose it** ([Axios](#)): A new Jobber report reveals that despite widespread concerns that a college degree no longer guarantees long-term job security in the age of AI – and growing consensus that blue-collar work is more resistant to automation than many white-collar professions – Gen Z has yet to shift away from traditional higher education in favor of skilled trades.
- **AI Is Coming for YouTube Creators** ([The Atlantic](#)): AI developers are using YouTube videos to train their models to generate new video content, in violation of the platform’s terms of service. Whether tech companies can continue this practice depends on ongoing lawsuits that will determine if AI training constitutes illegal copying or distribution.