

## AI Policy Newsletter

January 16, 2026

### At a Glance

- On January 13, the Commerce Department's Bureau of Industry and Security published a [new License Review Policy](#) allowing case-by-case approval for Nvidia H200 chip exports to China, reversing the previous presumption of denial. The policy requires companies to certify no processor shortage in the US, limit China shipments to no more than 50% of total US market production, employ rigorous Know Your Customer procedures to prevent unauthorized use, and subject chips to third-party testing.
  - The next day, President Trump [signed](#) a Proclamation on "Certain Advanced Computing Chips to Protect America's Economic and National Security," invoking his Section 232 authority to impose a 25% tariff on advanced chips including NVIDIA H200 and AMD MI325X. The decisions have sparked bipartisan criticism, intensifying the debate over balancing national security and economic interests in U.S.-China tech relations.
- This week, President Trump announced that his administration will be working with US technology companies to ensure that data centers meet the country's growing AI needs, without adding to the economic burden of consumers. In a Truth Social [post](#), the President touted Microsoft's five-point "[Building Community-First AI Infrastructure](#)" plan, adding that there will be "more to come soon."
  - In this vein, on January 16, the White House National Energy Dominance Council and a bipartisan group of governors from Pennsylvania, Ohio, and Virginia [signed](#) a statement of principles aimed at compelling PJM Interconnection, the mid-Atlantic power grid operator, to hold a power auction for tech companies to bid on contracts to build new power plants. The initiative aims to address rising voter concerns about AI-driven power shortages and price spikes.
- On January 13, the Senate [unanimously passed](#) the DEFIANCE Act, granting victims of non-consensual, sexually-explicit deepfakes the right to take civil action against individuals who produce, distribute, or possess such content with intent to distribute. Combatting the proliferation of non-consensual deepfake images has been one of the few places Congress has been able to successfully act on regulating AI to date. However, the DEFIANCE Act was stalled by House Republicans last year after passing the Senate, but its supporters will be making a strong push for passage again this year.

### What Else You Need to Know

#### Administration and Federal Updates

- In partnership with First Lady Melania Trump, Zoom [hosted](#) "Zoom Ahead: AI for Tomorrow's Leaders," a live national learning experience for K-12 students. The January 16 event included educators, creators, and technologists discussing responsible AI use. The initiative is part of Zoom's \$10 million, three-year commitment to AI education, including \$5 million for K-12 programs, and follows Zoom becoming a signatory of the White House "Pledge to America's Youth: Investing in AI Education."
- On January 12, Secretary of War Pete Hegseth [announced](#) Cameron Stanley as the next Pentagon Chief Digital and Artificial Intelligence Officer, charged with catalyzing the Pentagon's use and investments of AI technology and recruitment of AI talent. Hegseth also announced the

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creation of a "barrier removal SWAT team" to waive non-statutory requirements slowing AI development.

- The National Institute of Standards and Technology's (NIST) Center for AI Standards and Innovation [issued](#) a Request for Information seeking expert guidance on securing AI agent systems – autonomous AI capable of planning and executing real-world actions. The RFI focuses on security challenges unique to AI agents, including indirect prompt injection attacks, data poisoning vulnerabilities, and risks from misaligned objectives. Responses are [due](#) on March 9.
- At the CES trade show, White House Office of Science and Technology Policy (OSTP) director Michael Kratsios [said](#) that the Trump Administration will send Congress a federal AI legislative proposal "this year" to preempt state AI laws. Kratsios said the framework aims to be "pro-innovation" while protecting children. Meanwhile, National Telecommunications Information Administration (NTIA) head Arielle Roth doubled down on the Administration's intent to withhold \$21 billion in unspent BEAD broadband funds to states with "onerous AI laws."

### **Hill Happenings**

- Senator Richard Blumenthal (D-CT) [announced](#) he will be introducing legislation soon to "combat skyrocketing prices from data centers" and Arizona Governor [Katie Hobbs \(D\)](#) recently expressed that she believes tax incentives for AI data centers are no longer needed, despite voting for them as a state legislator in 2013.
- On January 15, House Select China Committee Chairman John Moolenaar (R-MI) sent a [letter](#) to the Department of Commerce warning that a global shortage of High-Bandwidth Memory 3 Extended (HBM3E) – used in Nvidia's H200 and Blackwell chips – may undermine the "America First" certification requirement in revised export licensing policy. With Chinese firms placing orders exceeding current supply, Moolenaar warns exports could divert scarce memory resources from American companies, threatening U.S. AI leadership. He requested a briefing on domestic HBM3E availability and its impact on license approvals.
- On January 14, the House Science, Space, and Technology Subcommittee on Research and Technology held a hearing titled "[Advancing America's AI Action Plan](#)." Subcommittee Chairman Jay Obernolte (R-CA) presided over the hearing, with full committee leadership in attendance. White House Office of Science and Technology (OSTP) Director Michael Kratsios detailed near-term priorities for the AI Action Plan, including broadening Genesis Mission participation, requesting proposals for the American AI Export Program, and collaborating with AI and Crypto Czar David Sacks and Congress to define federal preemption guardrails.
- On January 14, the House Committee on Foreign Affairs held a hearing, titled "[Winning the AI Arms Race Against the Chinese Communist Party](#)." The hearing centered on controversy surrounding the Trump Administration's decision to allow sales of Nvidia's H200 chips to China, which witnesses unanimously opposed as undermining America's computational advantage while Members had more nuanced perspectives. Other topics discussed included the impact of AI on military command, surveillance, and autonomous weapons, and the need for robust congressional oversight.
- Also on January 14, the House Education & Workforce Committee held a hearing on "[Building an AI-Ready America](#)." During the hearing, lawmakers broadly agreed that AI has the potential to boost productivity, personalize learning, and expand economic opportunity, while also emphasizing the need for an AI-ready workforce supported by AI education and training and modernized labor policies. Other topics of discussion included concerns around AI's use in mental health support and health data privacy.

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- A group of Democratic senators led by Lisa Blunt Rochester (D-DE) sent a [letter](#) to the leaders of X, Meta, Alphabet, Snap, Reddit and TikTok demanding proof that they have “robust protections and policies” in place to curb the proliferation of non-consensual, sexualized deepfakes, following reports that current platform guardrails are inadequate and easily circumvented. The pressure reflects intensifying scrutiny of tech companies’ handling of AI-generated explicit content.
- On January 13, Senate Intelligence Committee Chairman Tom Cotton (R-AR) and 10 Republican colleagues wrote a [letter urging](#) Energy Secretary Chris Wright to prohibit Chinese nationals from accessing national laboratories. The letter cites approximately 3,200 Chinese nationals approved for lab access in FY2024 as a threat to the Genesis Mission AI initiative, arguing that current vetting efforts are insufficient.
- On January 12, the House passed the [Remote Access Security Act](#) which would modernize the Export Control Reform Act to “restrict foreign adversaries’ ability to access technologies, including AI chips, remotely through cloud computing services.”
- On January 8, Senators Todd Young (R-IN) and Maria Cantwell (D-WA) introduced the [AI for Mainstreet Act](#) to provide training, guidance, and support to small businesses implementing artificial intelligence through Small Business Development Centers. The legislation is a companion to legislation Representatives Mark Alford (R-MO) and Hillary Scholten (D-MI) introduced in the House in 2025.

#### ***International, State and Third-Party Perspectives***

- On January 15, the Healthcare Leadership Council published a [report](#) titled “Unleashing AI’s Potential for Patients: A Cross-Sectoral Roadmap for Healthcare.” Among other recommendations, the roadmap includes establishing a moratorium on state laws, defining accountability for AI outputs, mitigating bias, establishing transparency standards, and creating liability protection for responsible use of AI in patient care.
- During his last “State of the State” address on January 13, Governor Ron DeSantis (R-FL) [encouraged](#) the Florida state legislature to regulate AI, warning about potential risks such as job loss, misinformation, and increasing utility costs.
- On January 9, Common Sense Media and OpenAI announced their support for the [Parents and Kids Safe AI Act](#), a ballot initiative in California that would require companies to use age assurance technology, provide greater control to parents around their children’s AI use, prohibit child-targeted advertising, and maintain accountability through independent safety audits, investigations and financial penalties. Common Sense Media, which authored the act, called it “the most comprehensive youth AI safety effort in the nation.”
- On January 6, California State Senator Steve Padilla (D) [introduced](#) SB867, a bill that would ban, for four years, the sale and manufacturing of toys with AI chatbot functions for children under 18.

#### ***A Few Interesting Reads***

- **Matthew McConaughey Trademarks Himself to Fight AI Misuse** ([The Wall Street Journal](#)): In an attempt to stop AI apps or users from simulating his voice or likeness without permission, Matthew McConaughey is trademarking himself.
- **AI surges among top business risk concerns, while cybersecurity holds firm** ([Cybersecurity Dive](#)): Rising eight spots on the Allianz Risk Barometer, AI is now the second top risk concern among

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corporate leaders, indicating companies see AI as a “complex source of operational, legal and reputational risk.” Cybersecurity remains the top concern for the fifth year in a row.

- **OpenAI unveils ChatGPT Health, says 230 million users ask about health each week ([TechCrunch](#))**: Earlier this month, OpenAI unveiled ChatGPT Health - a dedicated space for users to have conversations with the chatbot about their health, integrating personal information from wellness apps to help respond to users.
- **California probes Elon Musk's xAI over Grok's sexualized images ([POLITICO](#))**: California opened an investigation into xAI, alleging its Grok chatbot generates sexually explicit deepfakes of real people and child pornography - prohibited by California law.