

AI Policy Newsletter May 29, 2026

At a Glance

- On May 21, President Trump abruptly delayed the signing of a much anticipated [executive order](#) on cybersecurity threats related to advanced AI models and tools. In a statement, the President expressed concern about any action that might “get in the way” of the U.S. lead over China within the AI sector. The order was expected to include a provision encouraging voluntary federal review of advanced models ahead of their public release and also encourage wider AI use across government systems. According to [Politico](#), White House officials are exploring options for massaging language in the EO or taking out controversial provisions. Meanwhile, Democrats are pointing to the EO’s delay as evidence of the administration’s deference to Big Tech.
- States and municipalities continue to move against AI data center development at an accelerating pace and with bipartisan support. Since early May, moratoriums have been imposed or advanced in [Durham, NC](#) (60 days); [Northampton County, NC](#) (32 months); [Hill County, TX](#) (one year, the state's first county-level pause); [Harlingen, TX](#) (120 days); [Denver, CO](#) (one year); and [St. Charles, MO](#), which escalated its temporary moratorium to a permanent ban. Florida Gov. DeSantis also [signed](#) legislation barring utilities from passing data center costs to residential ratepayers and requiring public hearings before large facilities receive water permits.

What Else You Need to Know

Administration and Federal Updates

- On May 21, the Export-Import Bank [announced](#) ExportAI, a new initiative aligned with the Promoting the Export of the American AI Technology Stack Executive Order that will deploy EXIM’s financing toolkit – including loan guarantees and direct loans – to accelerate the global export of American AI technologies. The initiative prioritizes Commerce-designated AI exports to fast-track deployment ahead of competitors and streamlines deal processing to replace administrative bottlenecks with exporter statements.
- Axios reported that former Attorney General Pam Bondi will [join](#) the Presidential Council of Advisors on Science and Technology (PCAST), where she will facilitate coordination between the government and tech executives and advise the panel on national infrastructure. PCAST is chaired by former White House AI adviser David Sacks and OSTP Director Michael Kratsios.
- On May 15, President Trump [signaled](#) openness to U.S.-China cooperation on AI guardrails. Speaking publicly, Trump acknowledged China as a strong second in the global AI race – “we’re leading by a lot, but they’re second, and they’re very strong” – and indicated the two countries had discussed “possibly working together for guardrails.”

Hill Happenings

- On May 27, Sen. Elizabeth Warren (D-MA) [published](#) an op-ed in TIME making the case for a direct tax on AI companies – starting with an excise tax on data center energy usage – alongside broader corporate and wealth tax reforms to ensure AI’s economic gains are shared broadly. Warren argues the current tax code effectively penalizes hiring humans while subsidizing automation, and that revenue from AI taxes should fund universal health care, a jobs guarantee, free education, and expanded unemployment insurance.
- On May 22, Rep. Sam Liccardo (D-CA) penned an [op-ed](#) in the Washington Post arguing that the federal government should act as a “referee” rather than a “regulator” on AI safety to create competitive incentives for a race to the top rather than relying on fixed regulatory mandates. In

the op-ed, Liccardo previews legislation that would empower the Commerce Department's Center for AI Standards and Innovation (CAISI) to identify which frontier models meet industry best safety practices, with compliant companies earning federal preemption from state liability law as an incentive.

- On May 22, Sens. Ted Budd (R-NC), Adam Schiff (D-CA), Jim Banks (R-IN), Catherine Cortez Masto (D-NV), Mike Rounds (R-SD), and Lisa Blunt Rochester (D-DE) **introduced** the Fostering Agricultural Research and Modernization through Artificial Intelligence Act, which would add AI as a priority research area under USDA's Agriculture and Food Research Initiative, expand AI-focused grants and fellowships for rural workforce training, and designate a senior USDA official as an AI in Agriculture Advisor tasked with coordinating national AI standards for the sector in collaboration with NIST.
- On May 22, Sen. Kirsten Gillibrand (D-NY) led 20 Senate Democrats in **introducing** a Congressional Review Act resolution to repeal the Trump administration's WISeR (Wasteful and Inappropriate Service Reduction) Model, a CMS experiment using AI and machine learning to approve or deny Medicare claims in six states.
- On May 21, Sens. Jim Banks (R-IN) and Tom Cotton (R-AR) sent a **letter** to top U.S. intelligence leaders urging the intelligence community to prioritize monitoring Chinese AI development – including top frontier AI scientists, data center build-out, and advanced chip smuggling – and identify capability thresholds the U.S. must achieve before China or prevent China from reaching altogether. The letter cites Anthropic's Mythos model as an example of AI systems that could pose military and intelligence risks if achieved by China.
- On May 21, Rep. Deborah Ross (D-NC) **introduced** the Protect Working Musicians Act, which would create an antitrust exemption allowing small and independent artists to collectively negotiate with streaming platforms and generative AI developers for fair licensing and compensation. The bill, endorsed by SAG-AFTRA, the Recording Academy, and a dozen other music industry groups, is an update of legislation first introduced in 2023.
- On May 20, Reps. Madeleine Dean (D-PA) and María Elvira Salazar (R-FL) alongside Sens. Chris Coons (D-DE) and Marsha Blackburn (R-TN) reintroduced the **Nurture Originals, Foster AI, and Keep Entertainment Safe (NO FAKES) Act**, legislation that would establish a federal right for individuals to control digital replicas of their own voice and likeness and empower individuals to take action against bad actors creating, posting or profiting from unauthorized digital copies.
- On May 20, the House Committee on Small Business **passed** H.R. 8881, the SBA Artificial Intelligence Utilization Act of 2026, which would require the SBA Administrator to submit annual reports to Congress on the agency's use of AI and machine learning, including an assessment of associated benefits and risks.
- May 19 marked the enforcement deadline for provisions of the TAKE IT DOWN law requiring online platforms to remove nonconsensual sexually explicit imagery within 48 hours and criminalizing the publication of such images. Sens Amy Klobuchar (D-MN), Sen. Ted Cruz (R-TX), Rep. Madeleine Dean (D-PA) and Rep. María Elvira Salazar (R-FL) **wrote** to FTC Chairman Andrew Ferguson urging him to ensure the FTC uses this new authority to protect victims of non-consensual intimate imagery” and to request that the Commission brief their offices on how it intends to enforce the law.
- On May 18, Sen. Adam Schiff (D-CA) **introduced** the **Energy Cost Fairness and Reliability Act**, which would require data centers to pay 100% of network upgrade costs and "bring their own

power" by securing new generating resources matched to their projected demand. Schiff framed the bill as codifying into law the President's voluntary Ratepayer Protection Pledge.

- On May 18, Reps. Josh Gottheimer (D-NJ) and Mike Lawler (R-NY) **introduced** the No Rigged Grocery Prices Act, which would prohibit grocery retailers and third-party delivery platforms from using consumers' personal data to charge individualized prices for the same items. Gottheimer also sent letters to Amazon, Albertsons, Kroger, Walmart, Uber Eats, DoorDash, and Instacart demanding answers on their AI pricing practices and calling on the Department of Labor to investigate the workforce impact of AI-driven grocery technologies.
- On May 13, Reps. Mike Lawler (R-NY) and Josh Gottheimer (D-NJ) sent a **bipartisan letter** to the CEOs of OpenAI, Google, Microsoft, Anthropic, Meta, Perplexity, and X Corp. expressing concern with how their large language models handle political content ahead of the midterm elections. The letter cites research finding that leading AI chatbots returned inaccurate answers to basic voter questions during the 2024 cycle and warns that models trained on sources like Reddit and Wikipedia effectively amplify whichever side has done the most to flood the information environment, presenting partisan-shaped outputs as neutral fact.
- On May 13, a bipartisan group of 32 House lawmakers **wrote** to National Cyber Director Sean Cairncross urging him to convene a federal-industry process to address the cybersecurity risks posed by frontier AI models, citing Anthropic's Mythos. The letter outlines seven recommendations covering vulnerability coordination, expanded defensive access to advanced AI cyber tools, and a framework for monitoring sudden frontier capability jumps, and requests a staff briefing within 30 days.

International, State and Third-Party Perspectives

- On May 25, Pope Leo XIV released **Magnifica Humanitas**, framing AI as the defining challenge of his papacy. The document calls for AI to be subjected to stricter regulation and warns that AI concentration among a small number of wealthy actors risks undermining democracy and widening inequality. Notably, Anthropic co-founder Chris Olah **participated** in the encyclical's formal Vatican presentation. Since its publication, federal policymakers on both sides of the aisle have cited his writings on AI as moral grounding for intervention.
- On May 21, California Gov. Gavin Newsom (D) **issued** an executive order directing California state agencies, labor experts, economists, and universities to develop policies addressing AI's economic impact on workers and small businesses. The order directs agencies to evaluate worker ownership models, severance standards, and employment insurance programs for displaced workers; update the state's WARN Act to provide early warning signals of AI-driven layoffs; create an AI workforce training playbook; and launch a new dashboard tracking AI's impact across sectors.
- On May 20, The Global Electronics Association Launched the new **Global Electronics Policy Council (GEPC)** to bring together leading electronics companies, including semiconductor suppliers, to address trade, investment, and supply chain across the sector.
- On May 15, Humans First **wrote** to President Trump in support of federal vetting of powerful AI systems before their public release in order to protect national security, children, workers, and Americans' way of life. The letter emphasizes the importance of America leading the world in innovation while ensuring responsibility and commonsense rules for the rest of the world to follow.

- On May 14, Anthropic released a [paper](#) arguing for immediate policy action to tighten export controls and disrupt China's distillation attacks in order to protect U.S. AI leadership and ensure democracies, not authoritarian regimes, shape the rules and norms that govern AI systems.

A Few Interesting Reads

- **Inside the Next Phase of OpenAI's Political Strategy** ([Politico](#)): In the wake of stagnation on Capitol Hill for AI regulation, OpenAI is pursuing a new strategy focused on state-by-state efforts toward tech friendly regulations.
- **Teachers union president calls for limits on AI and screen time in schools** ([NBC News](#)): Randi Weingarten, president of the American Federation of Teachers, called for limits on technology in schools including prohibiting student-facing AI in elementary schools in a recent speech. Weingarten's comments echo parents push to scale back screen time in public schools and the surgeon general's latest advisory warning against excessive screen time for children.
- **YouTube will now automatically label AI videos** ([TechCrunch](#)): Building on its existing rule requiring the disclosure of AI-generated content, YouTube is now automatically labeling AI videos and moving its "AI" label to more prominent locations on desktop and mobile. The move comes after the platform announced several AI tools earlier this month.
- **Amazon MGM Studios Embraces AI: Greenlights Three Series for Prime Video Under New 'GenAI Creators' Fund'** ([Variety](#)): Amazon MGM Studios newly announced GenAI Creators' Fund has provided an unspecified amount of funding and access to AI production tools for three animated series for Prime Video. COO Albert Cheng emphasized the studio's "human-centric" approach, stating that "AI tools are meant to empower human creativity."