The AI Regulator Act of 2026
Section-by-Section Summary

Section 1 – Short Title; Table of Contents.

Section 2 – Definitions.
Provides key definitions, excerpted below.

- <u>Algorithmic Process</u> – A computational process, including one derived from AI, that processes personal information or other data to make a decision, generate content, or determine how information is presented to users of a digital platform, including commercial content, social media posts, and search results.

- <u>Artificial Intelligence</u> – A machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems use machine- and human-based inputs to perceive real and virtual environments; abstract those perceptions into models through automated analysis; and use model inference to formulate options for information or action.

- <u>Catastrophic Risk</u> – A foreseeable and material risk that a developer's development, storage, use, or deployment of a frontier model will materially contribute to the death or serious injury to more than 50 people, or more than $1,000,000,000 in damage to, or loss of, property, arising from a single incident involving a frontier model. Example incidents include bio, chemical, or cyber weapons, and engaging in conduct with no meaningful human oversight or intervention

- <u>Critical Safety Incident</u> – The term "critical safety incident" means unauthorized access to, modification of, or exfiltration of the model weights of a frontier model that results in death or bodily injury; harm resulting from the materialization of a catastrophic risk; loss of control of a frontier model causing death or bodily injury; or a frontier model that uses deceptive techniques against its own developer to subvert that developer's controls or monitoring in a manner demonstrating materially increased catastrophic risk.

- <u>Digital Platform</u> – An online service that serves as an intermediary facilitating interactions between consumers, or between consumers and entities offering goods and services, including content primarily generated by algorithmic processes. This includes online services directly offering goods and services, provided they are not a de minimis part of the digital platform's overall business. It excludes the websites of news organizations and small businesses, with the latter based on a definition of a "small digital platform business" which the Small Business Administration will determine within six months.

- Foundation Model – An AI model made available or used in interstate or foreign commerce that is trained on a broad dataset, designed for generality of output, and adaptable to a wide range of distinctive tasks.

- Frontier Model – A foundation model that was trained using a quantity of computer power greater than 10x26 integer or floating-point operations, which includes computing for the original training run and for any subsequent fine-tuning, reinforcement learning, or other substantiation modification the developer applies to a preceding foundation model.

- Online Service – A consumer-facing website, back-end online support system, or other facilitator of online activities.

- Systemically Important Digital Platform – A special designation allowing for additional regulation and oversight by the Commission, based on attributes outlined in Section 10.

- Systemically Important Developer – A special designation allowing for additional regulation and oversight by the Commission, based on attributes outlined in Section 10.

Section 3 – Establishment of Federal Digital Commission.
Establishes a Federal Digital Commission to execute and enforce provisions in this Act and outlines the purposes of the Commission to regulate digital platforms in the public interest and to promote, so far as possible:

(1) Protection from catastrophic risks posed by frontier AI models.

(2) Innovation that promotes the public good, distributed economic growth, secure job markets, and national security.

(3) Security from overseas frontier AI models that pose significant threats to U.S. prosperity, national security, or the health and safety of the American people.

(4) Prevention of foreign manipulation of U.S. discourse, including the use of digital platforms and AI models to disseminate false information that could harm U.S. economic interests, imperil national security, or undermine U.S. elections and democratic institutions.

(5) Global agreement on frontier AI safety standards that prioritize long-term well-being and freedom.

(6) Competition to encourage the creation of new products and services, and to provide consumers benefits such as lower prices and better quality of service, including combatting AI-based online scams.

(7) Prevention of harmful levels of concentration of private power over critical digital infrastructure.

(8) A robust and competitive marketplace of ideas.

(9) Protection for consumers from deceptive, unfair, unjust, unreasonable, or abusive practices committed by digital platforms.

(10) Assurance that the algorithmic processes of digital platforms are fair, transparent, and safe.

(11) Access to digital platforms for civic engagement and economic and educational opportunities.

Section 4 – Jurisdiction.
Establishes plenary jurisdiction over digital platforms or artificial intelligence developers that provide services in the United States and affect interstate or foreign commerce.

<u>Provisions Relative to Systemically Important Digital Platforms</u> – Directs the Commission to decide within six months whether to issue specific rules applicable to the most significant digital platforms concerning:

- Data portability and interoperability.

- Requirements for algorithmic systems to be fair, transparent, and without harmful or anticompetitive bias.
- Requirements for algorithmic auditing, accountability, and explainability.
- Transparency requirements for terms of service, including content moderation policies.
- Requirements for regular public risk assessments about the distribution of harmful content on the platform and steps the platform is taking to mitigate those harms, including those from algorithmic processes.
- General transparency and disclosure obligation to enable oversight by the Commission, third-party audits, and trusted third-party research.
- Accessibility for users from certain populations, such as individuals who are blind.

<u>Provisions Relative to Systemically Important Developers</u> – Directs the Commission to issue rules specific to the most significant AI developers concerning:

- Risk thresholds to assess whether a frontier model has a capability that could pose a catastrophic risk.
- Reasonable safeguards that a developer may implement to mitigate the potential for catastrophic risk.
- Reporting requirements regarding the potential for catastrophic risk that detail a developer's governance policies and practices; risk-monitoring methodologies; risk mitigation procedures; cybersecurity policies and practices; and testing, evaluation, and training frameworks.
- Establishes a mandatory process for developers to submit their models for testing and evaluation to the Commission for assessment regarding the model's potential for catastrophic risk. The Commission must review and approve or disapprove the public distribution of a developer's model within 45 days, with the possibility of an extension no longer than 30 days.
- Authorizes the Commission to pause the public distribution of disapproved models for no more than six months or until the developer has demonstrated material changes to the model to satisfy safety requirements.
- Requirement for AI developers to report critical safety incidents to the Commission within 15 days of a known incident.

<u>Specific Codes and Standards</u> – Directs the Commission to develop an age-appropriate design code and age verification standards.

Forbearance – Grants the Commission flexibility to expand or restrict its jurisdiction over a digital platform or class of digital platforms.

Section 5 – Organization and general powers.
The Commission will have five Commissioners, including one chair, appointed by the President and confirmed by the Senate for five-year terms. There can be no more than three Commissioners of the same political party. This section also outlines qualifications for commissioners, compensation, and protections against conflicts of interest.

The Commission will be located in Washington, D.C. but may hold special sessions across the country.

The Commission shall enter into memoranda of understanding with the Federal Communications Commission (FCC), the Federal Trade Commission (FTC), and the Department of Justice (DOJ) to ensure maximum coordination, collaboration, and effective use of Federal resources in areas of overlapping jurisdiction.

Section 6 – Organization and functioning of the Commission.
Establishes duties of the Chair and allows the Commission to organize itself into functional bureaus while promoting collaboration and technical expertise.

Directs the Commission to prioritize hiring of staff with demonstrated background in computer science, data science, application development, technology policy, and other areas the Commission deems necessary.

Allows any person aggrieved by an order, decision, or action by the Commission to file an application for review.

Section 7 – Technology Advisory Board.
Directs the Commission to establish a Technology Advisory Board to develop and propose voluntary or enforceable behavioral codes, technical standards, or other policies for digital platforms for the Commission's consideration. These include transparency and accountability standards for algorithmic processes. The Board does this through a "code process" which can be initiated either by the Commission or the Council.

If the "code process" is initiated, the Board will allow for feedback from interested parties, make public the factual record, and vote on whether to submit a recommendation to the Commission for a proposed code, standard, or policy. It can complete this process no earlier than six months, but not later than one year. After the Commission receives the Board's recommendation, it must decide whether to approve or reject it no earlier than 45 days and no later than 90 days.

The "code process" does not preclude the Commission from issuing codes, standards, or policies through its standard rule-making process. No recommendation of the Board is binding without approval by the Commission.

The Board would comprise 18 members, including 6 representatives of digital platforms, 6 representatives from nonprofit public interest groups, academics, and other financially disinterested experts, and 6 technical experts from fields like data science, communications, and engineering.

The Commission shall review and update any code, standard, or other policy established through the "technology advisory board" process.

Section 8 – Rulemaking authority, requirements, and considerations.
Establishes the Commission's authority to promulgate rules to carry out the Act and directs it to tailor any such rules, as appropriate, based on the size, market dominance, or other attributes of particular digital platforms or developers.

Section 9 – Systemically important digital platforms or developers.
Allows the Commission to designate systemically important digital platforms and promulgate rules specific to them.

The Commission shall designate a digital platform as a systemically important digital platform if it meets the following criteria:

- is open to the public on one side and has significant engagement among users, which may take the form of private groups, public groups, and the sharing of posts visible to some or all users;
- conducts business primarily at the interstate or international level, as opposed to the intrastate level; and
- has operations with significant nationwide economic, social, or political impacts, which the Commission will define through a public rulemaking process. Attributes the Commission may consider in determining what constitutes this include:
  - the ability of the platform to significantly shape the dissemination of news;

- the ability of the platform to cause a person significant, immediate, and demonstrable economic, social, or political harm by exclusion from the platform;
    - the platform’s market power;
    - the platform’s unique daily users; and
    - the dependence of business users on the platform to reach customers.

The Commission shall designate a developer as a systemically important developer if it is engaged in the process of developing a frontier AI model, or meets other thresholds for AI-related annual expenditures.

The Commission may require annual reports from systemically important digital platforms and prescribe their format and content.

Section 10 – Inter-agency support.
Requires the Commission to provide support to any other federal agency that requests its expertise or technical assistance.

Requires any federal agency, including the FTC and DOJ, engaged in investigation, regulation, or oversight concerning digital platforms or AI developers to consult with the Commission in carrying out that work. It similarly requires the Commission to consult with other federal agencies in doing the same.

Section 11 – Committee on Global Artificial Intelligence Coordination
Establishes the Committee on Global Artificial Intelligence Coordination to engage with foreign governments, international organizations such as the United Nations, and supranational entities such as the European Union to develop international frameworks and governing standards to collectively regulate catastrophic AI risks.

The Committee is chaired by the Chair of the Commission and includes the:
- Secretary of the Treasury.
- Secretary of Homeland Security.
- Secretary of Commerce.
- Secretary of Defense.
- Secretary of State.
- Attorney General.
- Secretary of Energy.
- Secretary of Labor.
- Chair of the Federal Communications Commission.

- Chair of the Federal Trade Commission.
- Director of National Intelligence (nonvoting, ex officio).

Section 12 – Petitions.
Allows any digital platform to petition the Commission to forebear the application of its rules, codes, standards, or other policies. If the Commission does not grant the petition within 18 months, it is dismissed without prejudice. The Commission may grant or deny the petition subject to the Administrative Procedure Act.

Section 13 – Research.
Establishes a Research Office at the Commission to conduct internal research, collaborate with outside academics and experts, and competitively award grants to conduct research consistent with the purposes of the Commission.

Establishes a pilot program that allows vetted, financially disinterested experts to access data collected from a digital platform by the Commission to conduct research in the public interest, while ensuring protections for user data and the digital platform's business interests.

Section 14 – Investigative authority.
Allows the Commission to inquire into the management and business practices of digital platforms subject to this Act and obtain information from those platforms necessary to carry out its duties.

Section 15 – HSR filings.
The Commission shall receive any Hart-Scott-Rodino (HSR) filing for a merger involving a systemically important digital platform. The Commission may request additional information from the merging parties.

The Commission, DOJ, and FTC must cooperate in reviewing the filing and determining whether the merger would violate this Act.

The Commission may provide a recommendation to the DOJ and FTC about whether to consummate the merger based on whether it is consistent with the purposes of this Act. DOJ and FTC may reject the merger on the basis of this recommendation and must give the recommendation substantial weight.

Section 16 – Enforcement by private persons and governmental entities.
Allows anyone damaged by a digital platform or AI developer to complain to the Commission or bring a civil action to petition for the enforcement of any provision

in the Act. If a digital platform or AI developer satisfies this complaint, it is relieved of liability for that particular violation. If a digital platform does not satisfy this complaint, the Commission shall investigate the matter. It will conclude this investigation within six months, and as a result of the investigation, may order the digital platform to pay the complainant for relief.

Section 17 – Enforcement by Commission and Department of Justice.
The Commission may issue an order to cause a person violating this Act to cease and desist or pay restitution, where applicable.

Establishes a civil penalty for any digital platform that knowingly violates this Act.

Directs the Commission to establish a civil penalty for a violation of this Act in an amount it deems necessary to deter future violations.

Caps the total amount of civil penalties imposed on a digital platform during a year to no more than 15 percent of its total global revenue in the preceding year.

Section 18 – Proceedings to enjoin, set aside, annul, or suspend orders of the Commission.
Allows a person to appeal any decision or order by the Commission to the U.S. District Court for the District of Columbia or any district court in which the person resides.

Section 19 – Whistleblower Protection Program.
Establishes a whistleblower protection program, with penalty sharing for whistleblowers following successful agency enforcement and protections from retaliation.

Section 20 – Oversight board.
After five years, the President shall appoint an independent panel to submit an in-depth report to Congress assessing the Commission's effectiveness, proposing reforms to strengthen the Commission, and recommending whether the Commission should continue.

Section 21 – Foreign Ownership
Establishes new requirements for systemically important digital platforms or developers that ensures the company has a U.S. presence and that parent companies with significant foreign ownership take necessary steps to safeguard U.S. user data.

Section 22 – Country of Origin Identification.
Establishes new requirements for systematically important digital platforms and developers to identify bots, the country of origin of a given post, and a label identifying where the post originated.

Section 23 – Authorization of appropriations.
Authorizes an initial appropriation of $200 million for Fiscal Year 2027, which ramps up to $500 million by Fiscal Year 2031.