

Ensuring a National Policy Framework for Artificial Intelligence

EXECUTIVE ORDER (14365) DECEMBER 2025

This executive order (EO 14365), titled "**Ensuring a National Policy Framework for Artificial Intelligence**," focuses on centralising AI regulation at the federal level to ensure U.S. dominance and prevent a "patchwork" of state-level laws.

Here is a detailed summary of its key provisions:

1. Core Objective: Federal Supremacy

The primary goal is to establish a "minimally burdensome" national standard for AI. The order argues that excessive or conflicting state regulations (like those in Colorado) stifle innovation, burden startups, and may force "ideological bias" into AI models.

2. Enforcement: The AI Litigation Task Force

- **Establishment:** The Attorney General must create this task force within **30 days**.
- **Mission:** Its sole purpose is to legally challenge state AI laws that are "inconsistent" with federal policy, particularly those that interfere with interstate commerce or are deemed "onerous".

3. Evaluation of State Laws

- **90-Day Review:** The Secretary of Commerce is directed to publish an evaluation of existing state AI laws within 90 days.
- **Targeted Laws:** The review will specifically identify laws that:
 - Require AI models to alter "truthful outputs" (e.g., anti-discrimination measures that might affect results).
 - Compel developers to disclose information in ways that might violate the First Amendment.

4. Financial Leverage: Funding Restrictions

The order uses federal grants as a "carrot and stick" to force state compliance:

- **BEAD Program:** States with "onerous" AI laws may be ruled ineligible for certain non-deployment funds under the Broadband Equity Access and Deployment (BEAD) program.
- **Discretionary Grants:** All federal agencies are instructed to consider conditioning their grants on states agreeing not to enact or enforce AI laws that conflict with this order.

5. Regulatory Preemption

- **Disclosure Standards:** The FCC is directed to investigate adopting a federal reporting standard for AI models that would override any state-level disclosure requirements.
- **Deceptive Practices:** The FTC is tasked with issuing a policy statement explaining how state laws requiring "alterations to truthful outputs" may be preempted by federal laws against "deceptive acts or practices".

6. Future Legislation

The White House Special Advisor for AI and Crypto is tasked with drafting a formal legislative recommendation for Congress to create a permanent federal framework. However, this framework **will not** preempt state laws regarding:

- Child safety protections.
- Physical AI infrastructure (like data centres).
- State government procurement of AI for its own use.

Next Steps: You may want to monitor the **Department of Justice** announcements over the next month for the formal launch of the **AI Litigation Task Force**.