



The National AI Charter Act Framework

Summary

Communities nationwide are sounding the alarm over AI, as companies unleash chatbots that drive children to self-harm and rogue models that hack networks. A few Big Tech monopolies dominate the market by using mass surveillance to steal private information, labor, and creative work, housing these assets in resource-intensive data centers. They built their trillion-dollar empires on the data they scraped and the personal lives they tracked, maximizing corporate profit while answering to no one but their shareholders. Their unchecked expansion of surveillance AI has sparked widespread safety and economic crises, from job displacement and healthcare denials to deepfakes and national security threats.

To date, traditional Big Tech policies have tried to patch up problems around the edges after harm is done, treating data privacy, children's safety, worker rights, market concentration, and all the rest as separate issues. That approach hides the full scope, reach, and systemic impact of Big Tech's surveillance monopolies. The fragmented response has allowed their lobbyists to divide the broad coalition of their victims, narrow fights to single-issue bills that they stall, make the case for self-regulation, and ignore the root profit drivers incentivizing their bad behavior.

The National AI Charter Act takes a fundamentally different approach by addressing the full scope of AI harm comprehensively upfront. Under this framework, every AI company would be required to hold a national charter to operate in the U.S. The charter would ensure that the public's interests come first and that the government has broad authority to hold AI companies accountable before they create harm. The charter's terms and conditions would be mandatory and ban AI companies from building monopolistic empires, releasing risky models, stealing through surveillance, exploiting workers, or causing serious harm. AI companies that don't agree, don't comply, or put the public in danger would get shut down.

The AI charter is modeled after the regulatory framework for national banks, which operate under a prudential authority with round-the-clock oversight, strict safety and soundness mandates, and structural separation between banking and commerce to eliminate dangerous conflicts of interest. Furthermore, the framework adopts the same rigorous federal testing and approval that the law requires of other high-risk sectors such as nuclear materials, hazardous chemicals, and dangerous

weapons before they can ever enter society, rather than trusting corporations that put profit over safety to grade themselves.

At its core, the charter framework recognizes that AI risks and harms are connected and driven by underlying market structures, surveillance business models, and profit motives. Instead of managing damage after the fact, a national charter would force companies to meet strict public interest, safety, and structural requirements as a mandatory price of entry into the AI industry. In doing so, the charter would break Big Tech's grip on AI and ensure dangerous AI models are not developed or released.

National AI Charter Authority and Requirements

Take-it-or-Leave-It Terms for AI Companies: Requires every AI company to have a National AI Charter, with non-negotiable structural, conduct, and safety requirements as a mandatory condition for operating in the United States.

National AI Charter Authority: Creates a new prudential federal enforcer to provide round-the-clock oversight of the AI industry, manage charter approval and federal AI testing, and enforce charter terms. The National AI Charter Authority ("Authority") is run by a director, funded by charter fees, and includes a bipartisan State Attorney General Advisory Council.

Immediate Crackdown: Shuts down dangerous rogue models and new training that uses mass surveillance data or stolen content and deploys a team of federal inspectors with immediate access to uncover AI dangers.

Mandatory Congressional Approval: Requires Congressional approval to charter any AI company with a valuation of \$1 billion or more and approval from the Authority to charter those below \$1 billion. The charter must be reapproved every 10 years.

Public Reporting and Quarterly Certification: Mandates that AI companies publicly report all of their financials, SEC filings, and other key legal documents, and file quarterly reports certifying safety and charter compliance, signed by individual executives under penalty of perjury.

Charter Corporate Governance

Affirmative Duty of Care: Establishes a non-transferable legal duty of care on AI companies and their executives to proactively identify, mitigate, and prevent systemic risks, public harm, dangerous capabilities, and other charter violations.

Public Benefit Priority Over Profits: Legally binds AI companies to prioritize safety, worker, and user protections and public benefits over standard corporate profit-maximization obligations and strips executives of legal protections if they undermine these public interest priorities for earnings.

Board Seats for Safety and Labor Officials: Mandates an independent Chief Safety Officer protected from corporate retaliation who reports directly to the board and requires dedicated board seats for a

technical safety specialist, labor union representative, and public interest advocate to prevent shareholder prioritization.

Ban on Golden Parachutes and Reckless Financial Incentives: Caps executive incentive-based compensation, prohibits golden parachutes, and mandates strict clawbacks of executive pay following safety incidents or other charter violations.

Mandatory Union Recognition: Requires AI companies to voluntarily recognize union representation and meet workers at the bargaining table to come to timely collective bargaining agreements in order to receive and maintain a 10-year charter.

Charter Purpose and Structural Separation

End to Big Tech AI Monopolies: Bars AI companies from participating in Big Tech sectors like search and social media. Chartered companies can own either AI infrastructure or AI systems, but never both, preventing chip and cloud giants from controlling dependent models.

Ban on Cross-Industry AI Empires: Restricts chartered companies to AI activities and bans them from owning or controlling non-AI companies or participating in traditional sectors like banking, retail, and pharmaceuticals, preventing AI from swallowing the rest of the economy.

Elimination of Shadow Control: Outlaws the hidden levers Big Tech uses to dominate the market without direct ownership, prohibiting shared processing infrastructure, interlocked executive boards, cross-equity stakes, and exclusive bundling deals that lock out rivals.

Further Corporate Breakups: Triggers mandatory separation orders to spin off integrated business divisions whenever an AI company uses market dominance to crush competitors or trap users in a closed ecosystem.

Monopoly Data Tax and AI Public Fund

Clawback of Stolen Value: Levies a Monopoly Data Tax on Big Tech companies that built AI on stolen intellectual property, web scraping, or mass surveillance. Imposes a direct tax on all personal executive compensation, including salaries, stock options, and carried interest received from monopoly data extraction.

Establishment of the AI Public Fund: Directs all tax receipts and civil penalties from any charter violations into the AI Public Fund, a Treasury trust fund dedicated to compensating Americans.

AI Bonds for All Americans: Distributes proceeds from the fund directly to all Americans via AI Bonds, ensuring that everyone receives a payment for the value that they created from the tech companies that stole it.

Conduct Prohibitions

Ban on Surveillance: Prohibits collecting, monetizing, buying, selling, or training AI on data from surveillance of people or businesses, including data on locations, shopping history, work routines, health records, commercial transactions, and physical features.

Ban on AI Theft: Prohibits using copyrighted works, trade secrets, or personal likenesses without explicit authorization and compensation.

Ban on Labor Exploitation: Bars AI companies from compelling workers to train systems designed to replace them, shifting AI costs to workers, or using AI to reduce pay.

Ban on Anticompetitive and Predatory Practices: Bans conflicts of interest, collusion, predatory pricing, junk fees, coercive contracts, and other illegal or abusive practices as violations of the charter.

Dangerous Capability Prohibitions

Ban on Rogue AI: Bans AI systems capable of evading human control, including by recursive self-improvement, self-modification, autonomous self-replication, and resistance to shutdown orders or commands.

Ban on Catastrophic Risks: Outlaws AI systems that create catastrophic risk, including by assisting in creating chemical, biological, radiological, or nuclear (CBRN) weapons or taking control over critical national infrastructure or financial systems.

Ban on AI Replacement of Skilled Work and Human Care: Bars AI systems that automate employment decisions or replace licensed professionals, skilled trades, or human care providers across healthcare, education, childcare, and other essential services.

Ban on AI Exploitation and Harm: Bans AI systems that violate human rights, exploit minors, deny benefits, restrict access to critical care or services, price gouge, enable psychological manipulation or addiction, facilitate crime, or otherwise harm people.

Charter Safety Requirements

Quarantine Before Release: Bars the public launch of high-risk AI systems without federal approval, forcing companies to prove model safety inside isolated government testing facilities prior to release, and applies containment protocols on par with those used for nuclear energy and defense technologies.

Surprise Red-Teaming and Live Stress-Testing: Rejects staged corporate safety demos by subjecting live AI systems to random, unannounced adversarial testing from the government and certified nonprofits, ensuring AI companies are constantly stress tested for post-launch hazards and hidden dangers.

Mandated Kill Switch and Emergency Shutdown Orders: Mandates real-time architectural controls and containment, kill switch, and other emergency shutdown capabilities that can be triggered immediately by direct orders from federal safety inspectors.

Robust Whistleblower Protections: Provides strong statutory protections and financial bounty incentives for internal whistleblowers who report corporate safety violations or illegal capabilities.

Charter Violation Remedies

Instant Charter Suspension: Freezes the operations of chartered AI companies instantly when they violate the terms of their charter, lie to oversight officials, or release dangerous technology.

Corporate Death Penalty: Strips the charter and liquidates the assets of reckless or repeat offenders, permanently shutting down rogue AI companies that trigger catastrophic public risks or persistently violate charter terms.

Voiding of Illegal Contracts: Automatically strips all legal effect from any contract term that violates the charter, ensuring that no AI company can enforce illegal fine print to silence employees, exploit users, or coerce competitors.

Liability and Criminal Accountability

Strict Liability: Imposes strict liability on AI companies for real-world damage caused by predatory conduct, dangerous capabilities, or other charter violations and requires companies to have comprehensive liability insurance to ensure victims are fully compensated.

Joint Liability: Eliminates corporate runarounds by holding AI companies and commercial clients jointly liable for harm caused by dangerous AI applications.

Individual Executive Criminal Accountability: Imposes personal civil and criminal liability for executives and boards who sign false certifications or recklessly deploy dangerous AI. Executives convicted of felony violations under the Act are permanently banned from the industry.

Elimination of Corporate Shields: Expressly bars companies from indemnifying executives against civil penalties or criminal legal defense costs arising from their liable acts.

Enforcement

Direct Private Right of Action: Grants individuals, creators, workers, and businesses a direct private right of action in federal court to sue non-compliant AI companies for statutory damages.

Concurrent State Enforcement Without Preemption: Empowers State Attorneys General with concurrent enforcement authority to investigate, enjoin, and seek restitution for violations, while preserving state statutory and common-law remedies to ensure states retain full authority to enact stricter AI protections.

Substantial Restitution and Civil Penalties: Mandates significant civil monetary penalties and complete restitution for victims of corporate AI misconduct.