

White House Announces Ratepayer Protection Pledge; State Republicans Push Back on Federal Pressure on AI Bills — AI: The Washington Report

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VIEWPOINT TOPICS

- Artificial Intelligence

Main Points

- On March 3, more than 50 Republican state legislators representing 22 states sent a [letter](#) urging President Trump to ease federal pressure on Utah and other states pursuing AI legislation. The letter follows a February 15 one-line memorandum from the White House to Utah lawmakers expressing the administration's opposition to [HB 286](#), a bill introduced by a Republican member of the Utah House of Representatives that would impose transparency requirements and youth safeguards on large AI developers.
 - The joint letter from Republican state lawmakers also points to the carve-out language in President Trump's December EO, stating that "state legislation addressing transparency, youth safeguards, and other AI risks is designed to respond to these concrete concerns in a targeted and pragmatic way."
 - The GOP state lawmakers also frame state AI legislation and proposals as efforts to increase oversight of major tech companies, arguing that such legislation is necessary to "hold ... the tech industry accountable," particularly in response to what lawmakers describe as "emerging harms" associated with advanced AI systems.
 - The joint letter highlights the potential pushback the administration may encounter from states and other stakeholders as it continues its effort to limit state-level AI regulation.
 - On March 5, the White House published the [Ratepayer Protection Pledge](#) (the "Pledge"), following President Trump's February 24 State of the Union address, during which he previewed the initiative, as [we've covered previously](#). The Pledge outlines expectations that participating technology companies bear the costs associated with power generation and grid upgrades needed to support their data centers, rather than shifting those costs onto residential electricity customers.
 - Seven major technology and AI companies reportedly signed the Pledge during a White House roundtable, agreeing in principle to bear the electricity infrastructure costs associated with powering their data centers — but the enforceability of the commitments remains unclear given the voluntary nature of the initiative.
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GOP State Lawmakers Challenge White House Pressure on State AI Legislation

On March 3, more than 50 Republican state legislators representing 22 states sent a [letter](#) urging President Trump to ease federal pressure on Utah and other states pursuing AI legislation. The letter follows a February 15 one-line memorandum from the White House Office of Intergovernmental Affairs to Utah lawmakers expressing the administration's opposition to [HB 286](#), a bill introduced by a Republican member of the Utah House of Representatives that would impose transparency requirements and youth safeguards on large AI developers.

"We are deeply concerned by the work of officials seeking to pressure lawmakers in Utah and other states to abandon legislation aimed at mitigating risks at leading AI labs and safeguarding constituents, including young people, from AI's worst harms," the GOP state lawmakers wrote in their joint letter.

The state lawmakers are responding to the White House's characterization of the Utah bill as "an unfixable bill that goes against the Administration's AI Agenda," [as we've previously covered](#). President Trump's December Executive Order, [Ensuring a National Policy Framework for Artificial Intelligence](#), hinted at an exemption from federal preemption for state laws addressing child safety risks in AI, as we have [previously covered](#). However, the administration has nevertheless opposed the Utah bill, which is framed around child safety and transparency disclosures.

The joint letter also responds to the carve-out language in President Trump's December EO, stating that "state legislation addressing transparency, youth safeguards, and other AI risks is designed to respond to these concrete concerns in a targeted and pragmatic way." The letter further states that federal efforts to discourage state legislation risk undermining principles of federalism, writing that the administration's "efforts to freeze state policymaking in this area, or to discourage the enactment of duly considered laws, risk infringing on states' rights and undermining a core constitutional principle that conservatives have long defended."

The GOP state lawmakers frame state AI legislations and proposals as efforts to increase oversight of major tech companies, arguing that such legislation at the state level is necessary to "hold ... the tech industry accountable," particularly in response to what lawmakers describe as "emerging harms" associated with advanced AI systems.

Over the past year, in the absence of a federal framework for AI regulation, states have increasingly advanced their own approaches to AI governance. Examples include Florida's proposed AI Bill of Rights, which contains more than a dozen provisions addressing consumer protection, child safety, and developer accountability, as well as California's Transparency in Frontier Artificial Intelligence Act and New York's RAISE Act, about which [we've previously written](#). These proposals, along with over 1,000 AI-related bills introduced in states in 2025, reflect a growing state-level effort to regulate AI, even as the Trump administration has signaled increasing scrutiny of state AI regulatory activity.

Since beginning his second term, President Trump has repeatedly emphasized the administration's goal of preventing what it describes as a "patchwork" of state AI laws. Through initiatives such as the [White House AI Action Plan](#) and the December EO, the administration has signaled a vision for a federal-first approach to AI regulation. The EO also outlines policy tools designed to discourage state regulation, including potentially withholding Broadband Equity, Access, and Deployment (BEAD) program non-deployment funds from states that enact what the administration characterizes as "onerous AI laws." According to the EO, these measures are intended to support "a minimally burdensome national standard," based on the administration's view that "excessive State regulation thwarts this imperative."

However, an executive order does not itself constitute a preempting federal act. The EO attempts to do so by citing existing statutes, such as Section 5 of the Federal Trade Commission Act (15 U.S.C. § 45), as a potential basis for enforcement from federal agencies and preemption. The EO also directs the Department of Justice (DOJ) to establish an AI Litigation Task Force, whose "sole responsibility" is to challenge state AI laws that conflict with the federal policy of a minimally burdensome national AI framework.

Taken together, these actions signal the administration's intent to pursue a uniform national approach to AI governance and to rely on litigation or federal authority to contest state laws viewed as inconsistent with the Trump administration's approach. Whether the vision set out by the Trump administration for AI regulation will turn into reality is still uncertain, particularly given the 119th Congress's recent failed attempts to pass legislation that would preempt state AI regulation while establishing a national framework.

The December EO established a 90-day deadline for federal agencies to review existing and proposed state AI laws, with that deadline approaching on March 16. The joint letter from Republican state lawmakers highlights the potential resistance the administration may encounter from states and other stakeholders as it continues its effort to limit state-level AI regulation.

White House Publishes Ratepayer Protection Pledge

On March 5, the White House published the [Ratepayer Protection Pledge](#) (the "Pledge"), following President Trump's February 24 State of the Union address, during which he previewed the initiative, as [we've covered previously](#). The Pledge outlines expectations that participating technology companies bear the costs associated with power generation and grid upgrades needed to support their data centers, rather than shifting those costs onto residential electricity customers.

The Ratepayer Protection Pledge outlines a series of voluntary commitments from "leading United States hyperscalers and AI companies" intended to prevent electricity infrastructure costs associated with data centers from being shifted to residential ratepayers. The five main categories outlined in the Pledge

include the following commitments:

- Companies agree to build, bring, or buy new generation resources needed to meet data center electricity demand and to pay the full cost of those resources.
- Companies commit to paying for all new power delivery infrastructure upgrades required to service their facilities so these costs are not passed on to households.
- Companies will negotiate separate rate structures with their utilities and state governments where data centers are built, and agree to pay these rates whether the electricity is used or not.
- Companies commit to invest in local job creation and workforce development in the communities where the data centers are built.
- Companies will coordinate with grid operators to make their backup generation resources available during periods of electricity scarcity.

Seven major technology and AI companies reportedly signed the Pledge during a White House roundtable, agreeing in principle to bear the electricity infrastructure costs associated with powering their data centers — but the enforceability of the commitments remains unclear given the voluntary nature of the initiative.

The announcement comes amid growing bipartisan concern over rising electricity prices for households and small businesses, particularly as data center construction accelerates in response to rapidly increasing demand for AI computing capacity. At the same time, regulatory oversight of electricity markets varies across states and utility providers, which can complicate efforts to ensure that infrastructure costs are not ultimately passed on to residential ratepayers.

The administration's rollout of the Pledge also arrives ahead of the November midterm elections, when energy affordability and grid reliability are likely to be salient political issues for voters, especially those in battleground states that are seeing rapid growth in data center development. The effect on oil prices triggered by the military action against Iran will likely increase the pressure surrounding this issue.

However, the speed at which additional electricity generation can be deployed to support new data centers will depend heavily on the types of energy resources prioritized by policymakers and utilities. The Trump administration has increasingly signaled a shift away from renewable energy sources such as wind and solar, which can often be deployed relatively quickly, and toward more traditional generation sources such as natural gas and other fossil fuel-fired power plants. As a result, questions remain about how quickly new generation capacity can be brought online to meet rapidly growing data center demand, particularly as AI-related computing infrastructure continues to expand with the White House's designation of AI being central to US competitiveness and economic growth.

We will continue to monitor, analyze, and issue reports on these developments. Please feel free to contact us if you have questions about current practices or how to proceed.

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