



State of the Intelligent Internet

2025 Strategic Outlook

November 21, 2025

Overview

Foreword

Artificial intelligence (AI) is fundamentally revolutionizing the foundations of contemporary life—including education, healthcare, governance, and commerce. The mission of Intelligent Internet is to secure that this transformation remains open, sovereign, and aligned with the public interest. Through Foundation Coin, a fixed-cap digital asset grounded in verifiable public-benefit computations rather than wastage, we are establishing an economic and technical infrastructure where every unit of value relates to work aimed at societal betterment. This involves open models, curated datasets, and high-trust AI services that are accessible and upgradable by anyone. Our vision is a world in which advanced AI enhances human capacities, strengthens communities, and fosters

California stands as a fitting partner for this undertaking. The state boasts over 30 of the world's top 50 AI companies and a significant share of AI skill and research, thus securing an unparalleled position in the AI realm. Efforts in California have demonstrated that AI-driven technologies, such as robotic weeders, can reduce chemical usage by up to 90% in regions like the Central Valley. The state has also made strides in the responsible organization of AI adoption within the public sector. Executive Order N-12-23 initiated a statewide evaluation of the opportunities, risks, and applications of generative AI, complemented by the State of California GenAI Guidelines for Public Sector Procurement, Uses, and Training, alongside the SIMM 150 GenAI Risk Assessment streamline. This results in a receptive environment for high-trust AI services ingrained in the region's substantial local technological workforce. Integrating these elements through dedicated State AI Champions is the logical progression, ensuring a way to efficiently translate policy and infrastructure into reliable, affordable services accessible by residents, small enterprises, educational institutions, healthcare facilities, and public agencies.

We consider AI a general-purpose technology and public utility, much like electricity or the internet, that will ultimately impact every sector. Intelligent Internet-aligned tools and frameworks can bolster clinicians with imaging diagnostics, enhance freight and logistics corridors, power innovative personalized learning models, and manage citizen-focused services such as licensing, benefits administration, and court support. Early implementations in climate-smart agriculture,

logistics corridors, and AI-assisted clinical imaging have already shown concrete gains in productivity, processing times, and diagnostic support, built on local datasets and systems. Though initial, these signals demonstrate the rapid transformation potential when there's a dedicated institutional framework.

The proposed California State Champion is envisioned as this home—a strategic conduit linking state strategies, digital infrastructures, and tangible enhancements to citizens' lives. Its agenda is deliberately practical and measurable: sustainable productivity and service quality improvements in priority sectors, statewide accessibility of high-trust, locally relevant AI languages, and concrete, verifiable evidence of safety, privacy, and civil rights protections. Achieving these goals necessitates close collaboration across state agencies, counties, cities, industry and labor sectors, universities, and community colleges, as well as civil society. Intelligent Internet is devoted to being a long-standing partner in these endeavors—contributing open architectures and tools, aligning Foundation Coin's incentive models with public-benefit projects within the state—and aiding the Champion in remaining interoperable with U.S. and international standards while staying firmly under Californian jurisdiction.

Overview

Executive Summary

California stands at a critical crossroads where its dense concentration of technological capacity and data resources could either reinforce its current dominance in artificial intelligence (AI) or allow growing dependence on external providers to deepen. As home to over 30 of the world's leading 50 AI companies and a significant portion of AI talent and research, California holds unmatched assets in the AI landscape. Nevertheless, critical AI infrastructure—particularly the computing power required for advanced model training and execution—is dominated by a limited number of large corporations based out of state. Consequently, this report advocates for creating a "State Champion": a California-based institutional mechanism tasked with aligning the state's strategic AI goals with effective

This Champion is envisioned as an entity with a clearly defined public-interest mandate that also maintains the commercial discipline vital for sustained operations. Its primary objectives would involve developing and overseeing sovereign AI infrastructure for California, curating trusted, high-data resources pertinent to the state's economy and public services, ensuring the safety and social awareness of AI models deployed within California, and accelerating the integration of AI-enabled services throughout all communities.

The introduction of shared infrastructure and governance by the Champion would enable secure, streamlined AI integration across state agencies, local authorities, and businesses, thus limiting fragmented, duplicative, or ad-hoc AI initiatives. It would also prevent overreliance on out-of-state or foreign AI platforms that may not align with California's laws and principles. For instance, relevant legislative discussions have highlighted concerns over the concentration of AI computing resources among just three major companies, creating limitations for startups and public organizations. Providing governed, sovereign AI services under California's administration empowers local innovation ecosystems and establishes a foundation for California to develop and export high-trust, locally suited AI solutions, reinforcing its reputation as a global leader in technology. Essentially, the Champion will serve as an institutional backbone for California's AI ecosystem, ensuring this general-purpose technology benefits all communities while adhering to California's standards of privacy, equality, and security.