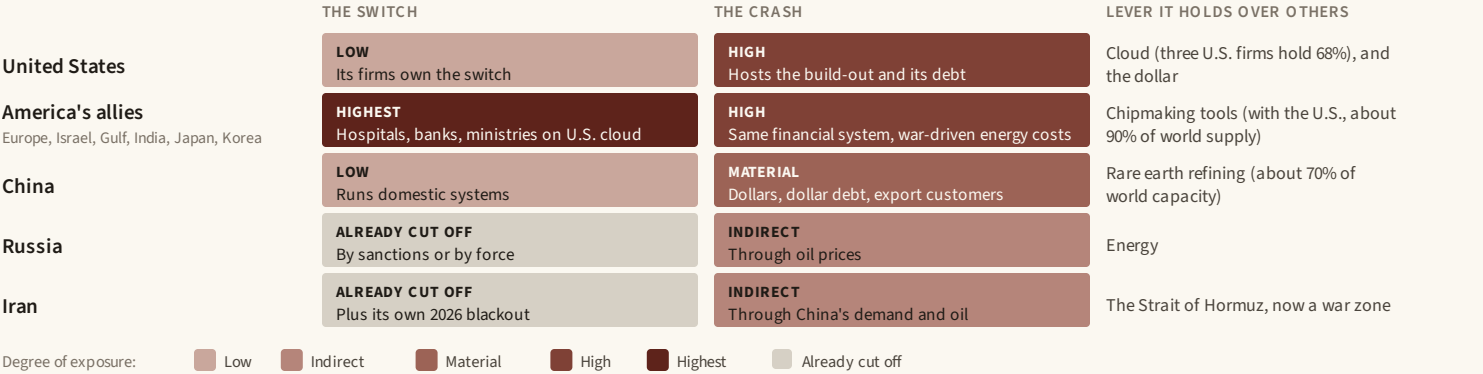


Every country now runs on infrastructure that someone else can switch off.

The goal is a settlement that puts a price and a set of rules on the exposure a few companies' cloud and AI infrastructure creates for everyone running on it. The exposure runs two ways, a deliberate cutoff and a failure that spreads, and no insurance market covers either. The timing is this week, when France chairs a Security Council session on AI, the U.S. and Chinese presidents meet in Washington, and the Pope speaks on AI in Paris.

Two kinds of exposure

The switch is a deliberate cutoff by a provider or a government. The crash is a failure, whether an outage, a cyberattack, or a financial bust, that spreads through trade and credit to economies that never touched the servers.



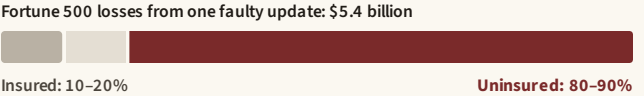
The size of the bet, and the size of the fee

The whole 2026–2028 build-out is about \$2.1 trillion, a growing share of it borrowed.



The last big outage, and who carried the loss

In July 2024, 8.5 million machines went down in one day. Insurers exclude failures that hit everyone at once.



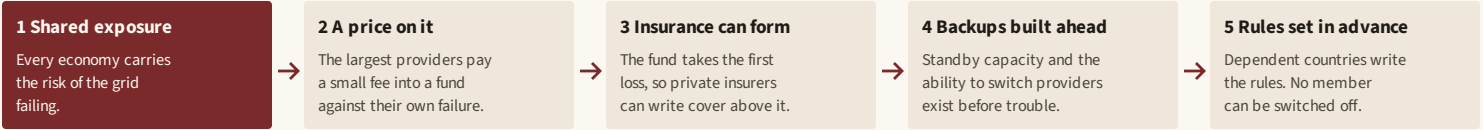
A modeled attack on a major payments system: \$3.5 trillion in losses over five years (Lloyd's). China was largely untouched in 2024 because it runs its own systems.

The switch has already been used

After U.S. sanctions on the International Criminal Court in The Hague, the court's chief prosecutor was disconnected from Microsoft services in 2025. In February 2026 Microsoft corrected its testimony to the UK Parliament, saying it **"was in touch with the ICC throughout the process that resulted in the disconnection."** Weeks later, EU sanctions took India's refiner Nayara Energy off Microsoft services, and access returned only after the company went to the Delhi High Court. Neither cutoff needed a new law, and the second was European rather than American. Europe's Cloud and AI Development Act is driven partly by the same fear, and every move to a homegrown alternative is business the three U.S. providers lose.

How the settlement would work

Exposure is the trigger. The settlement turns it into a price, a fund, and rules written before anything breaks.



A settlement like this would need a renewed, pro-democratic United States to build it. What can be done now is to write the standard down, so that should the politics turn, the demand already exists in a form someone can sign.

The rivals are outside the switch and still inside the exposure.

China runs its own systems and Iran has been cut off for years, so neither depends on Western cloud the way America's allies do. Both still depend on the world economy the grid now carries, China through its dollars and its export customers, Iran through China. Below that, in their own words, is where the people speaking this week already stand on the same question.

China's exposure runs through dollars and customers

Largely untouched by outages, heavily tied to the economies that buy from it.



71%
of China's goods trade settled in dollars or other foreign currencies, 2024

About half
of its crude oil comes from the Gulf; 13% came from Iran before the war

Iran shows what a switch-off costs

Iran's exposure to the Western grid is indirect. Its own shutdown this year put a price on the switch.



Where the people in the news already stand

Two agendas run this week: chips, tariffs and rare earths in Washington on Thursday, misuse of AI at the Security Council on Wednesday. Neither names who may switch off a country's cloud. Several of the speakers already have.

WHO	THIS WEEK	WHAT THEY HAVE ALREADY SAID OR DONE	EXPOSURE
France Barrot, who chairs the session	Wed 23	Aug. 27, 2026: names "the power of those who control the most powerful models, the infrastructure or critical components to restrict or cut off our access at will"	The switch
European Commission Virkkunen	—	Launching the Cloud and AI Development Act, June 3, 2026: "We want to be sure nobody has a kill switch"	The switch
United States	Thu 24	Sells "secure, full-stack AI export packages," and rejects "all efforts by international bodies to assert centralized control and global governance of AI"	Holds the switch
China	Thu 24	At the Council: AI "should benefit people of all countries, not become a game for the rich and powerful." Its rare earth controls are suspended only to Nov. 10, 2026	Holds another switch
Microsoft	Dinner guest	Promises in binding European contracts to "promptly and vigorously contest" any order to suspend its European cloud. It cut off India's Nayara Energy in July 2025 under EU sanctions	The switch
Amazon Web Services	Dinner guest	Its European Sovereign Cloud, launched Jan. 15, 2026, is built to "continue operations indefinitely, even in the event of a communications disruption with the rest of the world"	The switch
OpenAI Altman, briefing the Council	Wed 23 and Thu 24	Builds sovereign capacity "in coordination with the U.S. government," and expects to "spend trillions of dollars on infrastructure"	Both
Pope Leo XIV	Fri 25 and Mon 28	In <i>Magnifica Humanitas</i> , May 15, 2026: development's main drivers are private parties "endowed with resources and the capacity to intervene that surpass those of many Governments"	Private power over the dependent
IMF	—	April 2026: "stretched valuations and concentration, particularly in artificial intelligence related firms, raise downside risks"	Systemic
Bank of England	—	July 2026: "a vulnerability, compromise or defensive shutdown at a common supplier could affect several institutions at once"	Systemic

The papal visit ends on Sept. 28 at the Robert Schuman Centre in Metz. In 1950 Schuman proposed placing French and German coal and steel under common rules, so that war between the two would become "materially impossible." Cloud and AI are this century's strategic infrastructure.

A Cloud-Grid Settlement: One Worked Proposal. Dan Sullivan · who-rules-the-ai-grid.netlify.app · doi.org/10.5281/zenodo.22850312 · Settlement figures are indicative, and the steady-state fee is illustrative. Modeled losses are scenarios, not realized losses.

Sources, this side. China: CSIS ChinaPower; customs data for 2025; Bruegel, March 2026 (oil and the war). Iran blackout dates and costs: official and independent estimates as reported, 2026. Quotations: French foreign ministry, Aug. 27, 2026; CNBC, June 3, 2026; White House AI Action Plan, July 2025 and NBC News, Sept. 2025; PassBlue, Sept. 2026; Microsoft On the Issues, April 2025 and April 2026; Amazon, Jan. 15, 2026; OpenAI and Data Center Dynamics, 2025; U.S. Commerce Dept., Nov. 2025; Magnifica Humanitas, May 15, 2026; UN News, July 2026; IMF GFSR, April 2026; Bank of England FSR, July 2026. Schuman Declaration, May 9, 1950.