The American Automation Trust (AAT)

A Congress-Friendly Framework for Citizen Ownership of the Automated Economy

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Table of Contents

Introduction

Executive Summary

Section 1: The Problem — Why an Automated Economy Needs a New Ownership Model

Section 2: The American Automation Trust — Structure Overview

2.1 What Is the American Automation Trust?

2.2 What the AAT Holds

2.3 What the AAT Does NOT Do

Section 3: Governance Design

3.1 The Administering Body — The Federal Automation Trust Board (FATB)

3.2 Operational Independence

3.3 The Role of the Federal Reserve

3.4 Understanding the Relationship: A Familiar Analogy

Section 4: The 30/60/10 Production Split — How Revenue Flows

Section 5: Constitutional Compliance

Section 6: Asset Ownership Rules

Section 7: Legal Structure Diagram

Section 8: Accelerated Implementation — The Phased State Rollout

Section 9: Political Viability — Bipartisan Appeal

Section 10: Risks and Mitigations

Section 11: Prior Art and Intellectual Lineage

Appendix A: Glossary of Key Terms

Appendix B: Comparison with Existing Federal Trust Models

Appendix C: About the Author

Introduction

This document presents the American Automation Trust (AAT) as a legislative and institutional framework for converting automation-driven productivity into broad-based economic participation. It is written as a policy architecture for lawmakers, staff, and stakeholders evaluating how the United States can preserve household stability, consumer demand, and long-term national competitiveness as automation reduces the role of wage labor in production.

The paper is organized to move from problem definition to institutional design. It begins by explaining why the traditional labor-income model becomes structurally unstable in a highly automated economy, then outlines the Trust's ownership structure, governance model, revenue mechanism, constitutional basis, and phased implementation strategy. Later sections address political viability, operational risks, and the proposal's relationship to existing trust models and prior policy ideas.

The central claim of this document is that automation does not require the United States to choose between market dynamism and social stability. Properly structured, the automated economy can remain market-based while extending beneficial ownership more broadly across the citizenry. The AAT is offered as a practical framework for doing so within familiar American legal, financial, and political institutions.

Executive Summary

The American Automation Trust (AAT) is a sovereign-scale economic framework that converts automation-driven productivity into broad-based household stability, durable consumer demand, and long-term U.S. competitiveness. The United States stands at the threshold of a historic economic transition in which artificial intelligence and advanced robotics will increasingly determine how wealth is created and distributed.

The American Automation Trust (AAT) offers a constitutionally sound, market-compatible mechanism to ensure that every adult U.S. citizen holds a beneficial ownership stake in the nation's automated industrial base — without the government owning or operating businesses. The AAT is not a welfare program. It is an ownership framework. Citizens are shareholders, not recipients.

The AAT is modeled on proven federal trust structures that Congress and the American public already understand and accept:

- The **Alaska Permanent Fund**, which has distributed oil-revenue dividends to every resident for over 40 years
- The **Thrift Savings Plan (TSP)**, which is administered by an independent federal board for the benefit of individual participants
- The **Social Security Trust Fund**, in which citizens are beneficiaries of a government-administered trust

Under the AAT, citizens own shares; the government administers but does not own. Revenue flows through a **production-sharing agreement** — not a tax — modeled on the Production-Sharing Agreements (PSAs) used worldwide in natural resource economics.

The core allocation mechanism is the **30/60/10 Production Split**:

- **30%** retained by operating companies (covers operating costs, profits, R&D, capital expenditure, and employment)
- **60%** flows to the AAT Trust Fund (citizen dividends and Trust reinvestment/growth)
- **10%** flows to the U.S. Treasury (funds federal operations, replacing the need for most federal taxation)

At full maturity — with the automated economy producing $240 trillion in annual output — the results are transformational:

- Every adult U.S. citizen age 25 and older receives **$120,000 per year** ($30,000 quarterly) in production-sharing dividends
- The U.S. Treasury receives **$24 trillion per year** — approximately five times current federal revenue — potentially replacing the need for most federal taxation
- Operating companies retain **$72 trillion** — a higher net margin than most earn today after labor costs

The AAT is constitutionally compliant. It involves no nationalization, no government ownership of the means of production, and no seizure of private property. It operates under Congress's enumerated power to regulate interstate commerce and is structurally analogous to existing federal trust funds that have survived decades of legal scrutiny.

The proposal carries genuine bipartisan appeal. For conservatives, it is an **ownership society** — citizens are investors, not welfare recipients. For progressives, it is a **universal benefit** — every citizen shares equally in the nation's automated wealth. For libertarians, it is a **property right** — each citizen's share is a non-transferable right of citizenship, not a government program.

Implementation follows an accelerated **six-year phased rollout**, beginning with the most automated states (Michigan, Ohio, Indiana, Wisconsin, Iowa, Kansas, Minnesota), expanding through the Industrial Corridor and Tech/Energy Hubs, and achieving full national coverage by Year 6. Phase 1 citizens receive dividend checks in Year 1, creating immediate proof of concept in politically consequential swing states.

The American Automation Trust is not speculative theory. It is a deployable legislative framework built on proven institutional models, grounded in constitutional authority, and designed for the political realities of the United States Congress.

Section 1: The Problem — Why an Automated Economy Needs a New Ownership Model

Artificial intelligence and advanced robotics are replacing human labor across every major sector of the American economy. This is not a future prediction — it is an accelerating present reality. Manufacturing plants operate with skeleton crews while robots perform welding, assembly, and quality inspection. Logistics networks route, load, and deliver goods with diminishing human intervention. Financial services, legal research, medical diagnostics, agricultural management, and customer service are all undergoing rapid automation.

The core economic challenge is structural: **the traditional employment-based model of income distribution breaks down when machines do the work.** For over a century, the American economy has distributed the gains of production primarily through wages. Workers produce goods and services, earn income, spend that income, and sustain demand. This cycle presupposes that human labor is a necessary input to production. Automation severs that link.

When a factory replaces 500 workers with robotic systems, the factory's output may increase — often dramatically — but the wages that sustained 500 households disappear. The economic value of that output flows to the owners of the robots, the AI software, and the capital that financed them. Without a new mechanism, automation wealth concentrates among technology owners, venture capital firms, and large institutional investors, while the broader population loses its primary claim on the nation's economic output.

The Scale of the Transformation

The automated economy has the potential to produce **$240 trillion in annual output** — approximately eight times current U.S. GDP. This extraordinary figure is achievable because automated systems fundamentally change the physics of production:

- **Continuous operation:** Robots work 24 hours a day, 7 days a week, 365 days a year — no shifts, no breaks, no weekends, no holidays
- **Near-zero marginal replication:** Once a robotic system is designed and proven, replicating it costs a fraction of the original development — unlike training a human worker, which takes years and requires ongoing compensation

- **Elimination of cognitive bottlenecks:** AI systems make decisions, optimize processes, and solve problems at speeds and scales impossible for human organizations
- **Compounding capability:** Automated systems can build other automated systems — robots building robots — enabling exponential rather than linear scaling

Why Existing Proposals Fall Short

The policy landscape currently offers two dominant responses to automation-driven displacement, and both are inadequate:

Traditional safety net expansion (increased welfare, expanded unemployment benefits, job retraining programs) treats automation as a temporary disruption rather than a structural transformation. These approaches assume workers can be retrained for new jobs — but when AI and robotics can perform an ever-expanding range of cognitive and physical tasks, the destination jobs for retraining may themselves be automated within years.

Universal Basic Income (UBI) proposals correctly identify the need for income decoupled from employment but create a dependency relationship between citizens and government. UBI makes citizens recipients of government transfers — politically vulnerable transfers that can be reduced, means-tested, or eliminated by future legislatures. UBI does not give citizens a stake in the productive economy; it gives them an allowance.

The AAT Solution: Ownership, Not Dependency

The American Automation Trust solves this problem by making citizens **owners**, not recipients. Every adult U.S. citizen holds a beneficial ownership share in the nation's automated production infrastructure. Dividends are not government transfers — they are returns on ownership. Citizens are not welfare recipients — they are shareholders in the most productive economy in human history.

This is not redistribution. It is a production-sharing agreement — the same legal and economic framework that nations like Norway, the UAE, and Saudi Arabia use to share natural resource wealth with their citizens through sovereign wealth funds. The AAT applies this proven model to automation as the resource being extracted.

Section 2: The American Automation Trust — Structure Overview

2.1 What Is the American Automation Trust?

The American Automation Trust (AAT) is a proposed federally chartered trust fund that holds ownership stakes in the nation's automated production infrastructure — including robots, AI systems, automated factories, logistics networks, energy systems, and digital infrastructure. Every adult U.S. citizen (age 25 and older) receives one non-transferable beneficial share in the Trust. The Trust generates revenue through a production-sharing agreement on automated output and distributes quarterly dividends to all citizen-shareholders.

The AAT is administered by an independent federal agency — the Federal Automation Trust Board (FATB) — which has a fiduciary duty to act solely in the interest of citizen-shareholders. The Federal Reserve serves as fiscal agent and custodian of the Trust Fund, providing infrastructure, settlement, and record-keeping — but making no investment decisions. This architecture mirrors the existing relationship between the Federal Retirement Thrift Investment Board and the Thrift Savings Plan.

2.2 What the AAT Holds

The Trust's asset portfolio encompasses the full spectrum of the nation's automated production infrastructure:

Physical Automation Assets: Industrial robots, autonomous vehicles (freight, delivery, transit), automated warehouses, robotic assembly systems, autonomous construction equipment, and automated maintenance systems.

AI and Software Infrastructure: Large-scale AI models deployed in production environments, autonomous decision-making systems, machine learning platforms applied to industrial optimization, natural language processing systems deployed in commercial operations, and computer vision systems used in quality control, security, and logistics.

Energy and Utility Automation: Automated power generation and distribution grids, renewable energy systems with autonomous management (solar, wind, geothermal), automated water treatment and distribution, and smart grid infrastructure.

Healthcare Automation: Robotic surgery systems, AI-driven diagnostic platforms, automated pharmaceutical manufacturing and distribution, robotic patient care systems, and automated laboratory analysis equipment.

Agricultural Automation: Autonomous farming equipment (planters, harvesters, irrigation systems), AI-driven crop management and yield optimization, automated livestock management, drone-based monitoring and application systems, and automated food processing facilities.

Digital Infrastructure: Data centers, automated telecommunications networks, content delivery infrastructure, cloud computing platforms with autonomous management, and cybersecurity automation systems.

2.3 What the AAT Does NOT Do

Critical Distinctions

- The AAT does **NOT** nationalize private companies. No private business is seized, taken over, or brought under government operational control.
- The AAT does **NOT** give the government operational control of businesses. Companies continue to manage their own operations, hire their own employees, and make their own business decisions.
- The AAT does **NOT** replace private enterprise or market competition. The free market continues to function. Companies compete, innovate, and profit within the production-sharing framework.
- The AAT does **NOT** function as a welfare program or entitlement. Dividends are production-sharing returns — they vary based on output and are earned through ownership, not need.
- The AAT does **NOT** create a tradeable security. Citizen shares are non-transferable rights of citizenship — they cannot be bought, sold, traded, or inherited.

Section 3: Governance Design

3.1 The Administering Body — The Federal Automation Trust Board (FATB)

The Federal Automation Trust Board is an independent federal agency — not part of any cabinet department — modeled directly on the Federal Retirement Thrift Investment Board (FRTIB) that administers the Thrift Savings Plan for federal employees. The FATB is the fiduciary body responsible for managing the AAT's assets, setting investment strategy, and ensuring sustainable dividend distributions to citizen-shareholders.

Board Composition: The FATB is governed by a 7-member Board of Governors:

1. **3 members** appointed by the President of the United States (one designated as Chair)
2. **1 member** recommended by the Speaker of the House of Representatives
3. **1 member** recommended by the Senate Majority Leader
4. **1 member** recommended by the Federal Reserve Board of Governors
5. **1 citizen-elected representative**, elected by AAT shareholders in a national vote

All members must have substantial experience in financial management, technology, or public trust administration. Members serve staggered 6-year terms to ensure continuity across election cycles and insulate the Board from short-term political pressure. The Board has a binding fiduciary duty to act solely in the interest of citizen-shareholders — not the government, not political parties, and not any individual company or industry.

3.2 Operational Independence

The FATB operates with the institutional independence of the Federal Reserve — insulated from direct political control while remaining accountable to Congress and the public:

- **Congress** sets the statutory framework through the enabling legislation; the Board executes within that framework
- The **Government Accountability Office (GAO)** conducts an annual independent audit of the Trust's finances, asset valuations, and operational compliance

- The Board publishes **quarterly public reports** on fund performance, asset composition, dividend projections, and reinvestment activity
- An **Inspector General** is appointed for fraud prevention, whistleblower protection, and compliance enforcement
- Board members may be removed only for cause — not at the pleasure of the President

3.3 The Role of the Federal Reserve

The Federal Reserve serves as the **fiscal agent and custodian** of the AAT Trust Fund. This is a carefully defined operational role — not a policy-making role:

- The Fed **holds the Trust's accounts**, processes contributions from the production split, and executes dividend disbursements to citizen-shareholders
- The Fed **maintains participant records** — the registry of all citizen-shareholders and their share status
- The Fed provides **settlement infrastructure** for the Trust's asset transactions
- The Fed does **NOT** make investment decisions — that authority belongs solely to the FATB

This arrangement mirrors the Fed's existing role administering Treasury accounts and serving as fiscal agent for the Social Security Trust Fund. It leverages the Fed's existing infrastructure, security protocols, and institutional credibility without expanding its policy-making authority.

3.4 Understanding the Relationship: A Familiar Analogy

To understand how the FATB and the Federal Reserve relate to each other — and to citizen-shareholders — consider the familiar architecture of a private-sector 401(k) retirement plan:

AAT Role	Private 401(k) Equivalent	What They Do
The Federal Reserve	Voya, Fidelity, or your plan's recordkeeper/custodian	Holds the accounts, processes contributions and withdrawals, maintains participant records, moves the money
The FATB	Edelman Financial Engines or your plan's investment advisor/fiduciary	Makes the investment strategy decisions, selects assets, manages allocation, has fiduciary duty to participants

Every member of Congress already participates in a system built on this exact architecture — the Thrift Savings Plan. Their TSP accounts are held by a custodian (the Federal Reserve serves as fiscal agent), while the Federal Retirement Thrift Investment Board makes the investment decisions. The AAT simply extends this proven, trusted model to a national trust fund for all citizens.

One holds the assets. The other manages the strategy. Neither owns the fund — the citizens do.

Section 4: The 30/60/10 Production Split — How Revenue Flows

4.1 How the Split Works

When automated systems produce goods and services, the total value of that output is allocated through the **30/60/10 Production Split**:

- **30%** is retained by the operating company — covering operating costs, profits, R&D, capital expenditure, and employment
- **60%** flows to the American Automation Trust Fund — funding citizen dividends and Trust reinvestment/growth
- **10%** flows to the U.S. Treasury — funding federal operations and replacing the need for most federal taxation

> **Important Clarification**
>
> This is **NOT** a tax or a royalty on a small slice of revenue. It is the fundamental production-sharing agreement of the automated economy. Companies that deploy automation at scale operate under this split as the cost of participation in the national automation framework. The production-sharing agreement is modeled on PSAs used worldwide in natural resource economics — the same legal framework used by Norway, the UAE, and Saudi Arabia to share resource extraction value with citizens through sovereign wealth funds.

4.2 Why Companies Accept 30%

In traditional manufacturing, labor costs consume 20–35% of total revenue. When a company adds employer-paid healthcare, retirement contributions, payroll taxes, workers' compensation insurance, training costs, and human resources administration, the total cost of human labor routinely exceeds 40–50% of revenue.

Companies that replace human labor with automation **eliminate those costs entirely**. The 30% retained share under the production split represents a **higher effective profit margin** than most companies earn today after paying wages, benefits, healthcare, payroll taxes, and retirement contributions. The automation framework makes companies more profitable, not less.

Additionally, companies operating within the AAT framework benefit from the Trust's reinvestment in automation infrastructure, standardized regulatory compliance, and access to a consumer base with guaranteed purchasing power — 229 million adults each receiving $120,000 per year creates $27.48 trillion in annual consumer demand.

4.3 Full Maturity Revenue Flow ($240 Trillion Automated Output)

Recipient	Share	Amount	Purpose
Operating Companies	30%	$72 trillion	Operating costs, profits, R&D, expansion, employment
AAT Trust Fund	60%	$144 trillion	Citizen dividends + reinvestment
U.S. Treasury	10%	$24 trillion	Federal operations (5x current federal revenue)

Trust Fund Internal Allocation:

Component	Amount	Calculation
Citizen Dividends	$27.48 trillion	229 million adults × $120,000/year = $30,000/quarter per citizen
Reinvestment and Growth	$112.8 trillion	New automation infrastructure, fund growth, stabilization reserves

4.4 Revenue Flow Sequence

The production-sharing revenue flows through a clear, auditable sequence:

6. Automated systems produce goods and services across all participating sectors
7. Total output value is calculated based on market prices and audited production data

8. **30% is retained** by the operating company at the point of production
9. **70% is remitted** to the Federal Automation Trust Fund via the Federal Reserve's settlement infrastructure
10. Of the 70%: **60 percentage points** are allocated to Trust operations (dividends + reinvestment); **10 percentage points** are transferred to the U.S. Treasury
11. The Trust distributes **quarterly dividends** to all citizen-shareholders ($30,000 per quarter at full maturity)
12. The Treasury applies its 10% to federal operations — at $24 trillion, this is approximately 5x current federal revenue, potentially replacing the need for most federal taxation

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Section 5: Constitutional Compliance — Why This Is Not "Government Ownership"

5.1 The Ownership Distinction

The constitutional viability of the American Automation Trust rests on a clear and legally well-established distinction: **the citizens own the AAT — the government administers it.**

This is not a novel legal arrangement. It is identical in structure to institutions that have operated within the U.S. constitutional framework for decades:

- **Social Security** (1935): Citizens are beneficiaries; the government is trustee. No court has held that Social Security constitutes government ownership of citizens' retirement benefits.
- **Thrift Savings Plan** (1986): Federal employees own their individual accounts; the FRTIB administers the plan. The government operates the infrastructure but does not own the assets.
- **Alaska Permanent Fund** (1976): The state holds oil royalties in trust for citizens who receive annual dividends. The state administers; the citizens benefit.

The **5th Amendment Takings Clause** is not implicated because no private property is seized. Companies voluntarily participate in the production-sharing framework as a condition of deploying automation at scale within the national automation framework. This is modeled on Production-Sharing Agreements (PSAs) used worldwide in natural resource economics — the same legal mechanism by which Norway, the UAE, and Saudi Arabia share resource extraction value with citizens through sovereign wealth funds. The AAT applies this framework to automation as the "resource."

The **Commerce Clause** (Article I, Section 8) provides Congress the enumerated power to regulate interstate commerce, including the terms under which automated production systems operate commercially across state lines.

5.2 Key Constitutional Anchors

Constitutional Provision	Application to the AAT
Article I, Section 8 (Commerce Clause)	Congress has enumerated power to regulate commercial activity involving automated production that crosses state lines or affects interstate commerce
Article IV, Section 3 (Property Clause)	Congress may dispose of and make rules respecting property belonging to the United States — the Trust's assets are held in trust for citizens, not as government property for government use
5th Amendment (Takings Clause)	No private property is taken — the production split is a participation agreement tied to commercial activity, analogous to production-sharing agreements in natural resource economics, FCC spectrum fees, and mineral extraction royalties
10th Amendment (Federalism)	The AAT operates under federal authority over interstate commerce; states retain authority over intrastate automation policy and may establish complementary state-level programs
14th Amendment (Equal Protection)	Every adult citizen age 25 and over receives an equal share — no discrimination by income, race, geography, employment status, or any other classification

5.3 Legal Precedents

The AAT's constitutional foundation is supported by a robust body of legal precedent:

Production-Sharing Agreements (global): Norway, the UAE, Saudi Arabia, and dozens of other nations use PSAs to share resource extraction value with citizens through sovereign wealth funds. These agreements have operated successfully for decades and have withstood legal challenge in multiple jurisdictions. The AAT applies this proven legal model to automation as the "resource."

Alaska Permanent Fund (1976): The State of Alaska constitutionally created a trust fund capitalized by oil royalties and distributes annual dividends to all residents. The Fund has paid continuous dividends for over 40 years and has survived all legal challenges, including challenges to the dividend distribution mechanism and the royalty collection framework.

Thrift Savings Plan (1986): A federal trust administered by an independent board (the FRTIB) for the benefit of individual participants. The government administers but does not own participant accounts. This is the direct governance model for the FATB.

Social Security Trust Fund (1935): Citizens are beneficiaries of a government-administered trust. The government serves as trustee, not owner. The Supreme Court has upheld this structure repeatedly.

Federal spectrum auctions: The government charges fees for use of a public resource (the electromagnetic spectrum) without owning the companies that use it. This establishes the principle that the government may condition access to a shared resource on payment obligations without triggering Takings Clause concerns.

Mineral Leasing Act (1920): The federal government collects royalties from extraction of mineral resources on public land — a direct supporting precedent for the production-sharing model applied to a different category of productive resource.

5.4 What This Is NOT

What Critics May Call It	Why That Label Is Wrong
Socialism	Citizens are owners, not recipients of redistribution. The government does not own or control the means of production. Private companies operate freely within the production-sharing framework.
Nationalization	The government does not own or operate any business. No company is seized. The Trust holds beneficial interests for citizens — the government is administrator, not owner.
Universal Basic Income (UBI)	Dividends are production-sharing returns, not welfare payments. They vary based on automated output — they are earned returns on ownership, not fixed government transfers.
A Tax	The 30/60/10 production split is a participation agreement for the national automation framework, modeled on production-sharing agreements used in natural resource economics worldwide. It is a condition of commercial participation, not a tax levied by sovereign authority.

Section 6: Asset Ownership Rules

6.1 Citizen Share Rules

- **One share per adult citizen:** Every U.S. citizen age 25 or older holds exactly one beneficial share in the AAT
- **Non-transferable:** Shares cannot be sold, traded, gifted, pledged as collateral, or transferred to any other person or entity
- **Non-inheritable:** Share rights terminate at death and cannot be passed to heirs — the share reverts to the Trust
- **Citizenship-based:** Share rights begin at age 25 or upon naturalization as a U.S. citizen and end at death or voluntary renunciation of citizenship
- **Not a financial security:** Citizen shares are a right of citizenship, not a security — they are not regulated by the Securities and Exchange Commission
- **Equal ownership:** No citizen may hold more than one share. Equal ownership is constitutionally mandated under the Equal Protection Clause

6.2 AAT Asset Rules

- The FATB has a binding fiduciary duty to manage assets for long-term growth and sustainable dividend distributions
- Asset allocation must balance current quarterly dividend payments with long-term fund growth and reinvestment in the automation economy
- The fund may acquire new automation assets through direct purchase, public-private partnership, joint venture, or competitive procurement
- The fund may hold equity positions in automation companies, production-sharing revenue streams, infrastructure bonds, technology licensing rights, and patent portfolios

6.3 Anti-Concentration Provisions

- **Geographic diversification:** No single state or metropolitan area may account for more than a specified percentage of total Trust assets, ensuring no region is over-weighted
- **Sector diversification:** No single industry sector may account for more than a specified percentage of total Trust assets, preventing over-reliance on any single industry's performance

6.4 Equity Ownership Thresholds — A Tiered Approach

The AAT's equity ownership strategy is informed by SEC regulatory thresholds that govern beneficial ownership of public companies:

Threshold	SEC Trigger	Implications
>5%	Schedule 13D filing	Must disclose ownership and intentions publicly
>10%	Section 16 "Insider"	Reporting requirements, short-swing profit rules, no short selling, treated as company insider
>25%	Effective control	Triggers change-of-control provisions in corporate agreements, loan covenants, and contracts
>50%	Majority ownership	Full voting control of the company

The AAT adopts a **three-tier ownership approach** to maximize flexibility while managing legal and political complexity:

Tier 1 — Public Company Stakes (up to 9%): For publicly traded companies, the AAT caps equity ownership at 9% per company, remaining below the Section 16 insider threshold. This avoids short-swing profit restrictions and insider reporting burdens while maintaining the political message that "the Trust does not control companies." This tier applies to large-cap automation companies, AI platform providers, and publicly listed robotics manufacturers.

Tier 2 — Strategic Partnerships (up to 25%): For AAT-sponsored public-private partnerships, joint ventures, and new automation ventures, the Trust may acquire stakes of up to 25%. This gives the Trust board representation rights and meaningful governance influence — effectively placing "America's seat at the table" in strategic automation enterprises. This tier applies to new domestic automation facilities, public-private manufacturing partnerships, and critical supply chain ventures.

Tier 3 — National Automation Infrastructure (up to 49%): For critical national automation infrastructure — automated power grids, national logistics networks, defense-adjacent automation systems — the Trust may hold stakes up to 49%, maintaining significant influence without majority control. This tier is reserved for infrastructure assets where citizen ownership serves a clear national interest.

Important Note on Revenue Sources

Equity ownership is only **one component** of the AAT's holdings. The primary revenue engine is the **30/60/10 production split** — the sharing of total automated output value. A company pays into the Trust through the production split regardless of whether the Trust holds equity in that company's stock. The production split is the fuel; equity holdings are part of the portfolio.

Clarifying Note on Anti-Concentration

The tiered caps are portfolio risk-management measures — they prevent the Trust from becoming dangerously dependent on any single company's performance. They do not limit the Trust's total funding capacity. The AAT's funding scales with the total size of the automated economy through the production split, which has no aggregate cap. This mirrors diversification rules used by sovereign wealth funds worldwide, including Norway's Government Pension Fund Global.

Section 7: Legal Structure Diagram

The following diagram illustrates the complete legal, governance, and financial architecture of the American Automation Trust:

Hierarchical Authority Structure

CONSTITUTIONAL FOUNDATION U.S. Constitution (Commerce Clause · Property Clause · Equal Protection)

▼ STATUTORY LEVEL Congressional Enabling Act "The American Automation Trust Act"

▼ ADMINISTRATIVE LEVEL Federal Automation Trust Board (FATB) Independent Agency — 7-Member Board of Governors Fiduciary Duty to Citizen-Shareholders

▼ TRUST LEVEL The American Automation Trust Fund (Automation assets, equity stakes, revenue streams)

▼ BENEFICIAL OWNERS Every Adult U.S. Citizen (One non-transferable share each — ~229 million shareholders)

Parallel Institutional Relationships

FEDERAL RESERVE ————► Fiscal agent and custodian of the Trust Fund (Like Voya — holds accounts, moves money)

FATB ————————————► Investment decisions and strategy (Like Edelman Financial Engines — manages the portfolio)

GAO ————————————► Annual independent audit

INSPECTOR GENERAL ———► Fraud prevention and compliance

OPERATING COMPANIES —► Participate in 30/60/10 production split

U.S. TREASURY ————————► Receives 10% allocation from automated output

Revenue Flow

AUTOMATED PRODUCTION OUTPUT

▼ 30/60/10 PRODUCTION SPLIT

▼ Operating AAT Trust Fund

►U.S. Treasury Companies (Companies whose automation-royalty payments flow into the U.S. Treasury through the AAT ETF)

►$24T/yr, at maturity $72T/yr (5x current federal revenue)

► Citizen Dividends: $120,000/yr per citizen ($30,000 quarterly)

► Reinvestment & Growth: $112.8T/yr at maturity

Section 8: Accelerated Implementation — The Phased State Rollout

The AAT deploys in four geographic phases over six years, prioritized by automation intensity. States with the highest existing robot density and automated output enter first, proving the model before expansion. This approach mirrors how Social Security was originally phased in and creates immediate proof of concept in the states best positioned to demonstrate results.

Phase 1: Robot Hub States (Year 1)

States: Michigan, Ohio, Indiana, Wisconsin, Iowa, Kansas, Minnesota

Why first: These states have the highest robot density in U.S. manufacturing. Iowa, Michigan, Kansas, Wisconsin, and Minnesota rank as the top five states for robot adoption by establishment share. Automotive manufacturing alone accounts for approximately 40% of all U.S. industrial robot installations, and these states are at the epicenter of American automotive production.

Metric	Value
Adult citizens covered	~32.5 million
Automated output	$18 trillion
Per-citizen annual dividend	~$89,723 (ramping toward $120K target)
Per-citizen quarterly check	~$22,431
Treasury revenue	$1.8 trillion/year

Political Note

These are swing states. Whoever champions the AAT puts dividend checks in the hands of voters in the most politically consequential geography in the country.

Under the age-25 eligibility rule, Phase 1 states begin with a smaller initial shareholder base, but the political impact remains strong because the 25+ population still represents the majority of voters.

Phase 2: Industrial Corridor (Years 2–3)

States: Texas, Tennessee, South Carolina, Alabama, Kentucky, Georgia, North Carolina, Pennsylvania

Why second: Heavy manufacturing, energy production, automotive supply chains, and logistics corridors with rapidly growing automation adoption. These states represent the backbone of American industrial capacity and are experiencing among the fastest rates of robot deployment in the country.

Metric	Value
Adult citizens covered (cumulative)	~90.5 million
Automated output	$45 trillion
Per-citizen annual dividend	~$116,354
Per-citizen quarterly check	~$29,088
Treasury revenue	$4.5 trillion/year

Phase 3: Tech and Energy Hubs (Years 3–4)

States: California, Washington, Oregon, Colorado, Arizona, Nevada, New Mexico, Utah

Why third: AI and software infrastructure, data centers, renewable energy automation, and semiconductor fabrication. These states contribute the highest-value automation assets per unit of deployment and represent the cutting edge of AI-driven production.

Metric	Value
Adult citizens covered (cumulative)	~132.5 million
Automated output	$90 trillion
Per-citizen annual dividend	$120,000 — TARGET ACHIEVED ✓
Per-citizen quarterly check	$30,000
Treasury revenue	$9 trillion/year

Phase 4: National Completion (Years 4–6)

States: All remaining states, the District of Columbia, and U.S. territories

Coverage: Services automation, healthcare automation, agricultural automation, and federal operations

Metric	Value
Adult citizens covered	~229 million (full national coverage)
Automated output	$140 trillion → scaling to $240 trillion
Per-citizen annual dividend	$120,000 sustained
Per-citizen quarterly check	$30,000
Treasury revenue	$14 trillion → $24 trillion/year

Early-Year Trust Allocation Note

In early phases (Phases 1–2), the Trust reinvests 73–85% of its 60% share to fund automation buildout and scaling. As the automated economy matures and production scales, the reinvestment percentage decreases and a greater proportion flows to citizen dividends. By Phase 3, the $120,000/person annual target is achieved. By Year 6, every adult citizen in America receives $30,000 quarterly dividend checks.

Why the Phased Approach Works

13. **Immediate proof of concept:** Phase 1 citizens receive dividend checks in Year 1, demonstrating the model's viability
14. **Validation before expansion:** Each phase validates the production-sharing framework, governance model, and distribution infrastructure before geographic expansion
15. **Immediate federal budget relief:** Treasury revenue begins flowing in Year 1 from robot-hub states
16. **Compounding revenue:** Each new phase adds to the automated production engine, increasing total output and dividends
17. **Organic political support:** Early-phase states demonstrate tangible results — quarterly checks in voters' bank accounts — building public support for expansion
18. **Full national coverage by Year 6:** Every adult U.S. citizen receiving $30,000 quarterly dividends

Section 9: Political Viability — Bipartisan Appeal

For Conservatives / Republicans

- **Ownership society:** Citizens are investors and shareholders, not welfare recipients. The AAT embodies the conservative vision of widespread ownership and individual economic agency.
- **No government ownership of business:** The Trust is citizen-owned. The government administers but does not own or operate any commercial enterprise.
- **Market-compatible:** Companies retain 30% of output and operate freely within the production-sharing framework. Market competition, innovation, and entrepreneurship continue without government interference in business operations.
- **Reduces dependency:** Dividends are earned returns on ownership, not entitlements. They vary based on production output, not political generosity.
- **Mirrors the Alaska model:** The Alaska Permanent Fund — a red-state precedent championed by Republican Governor Jay Hammond — has worked successfully for over 40 years and enjoys overwhelming public support.
- **Supports the Trump administration's sovereign wealth fund initiative:** Executive Order 14196 (February 2025) directed the Treasury and Commerce departments to develop a plan for a U.S. sovereign wealth fund. The AAT provides the detailed architecture that the executive order's framework left open.

For Progressives / Democrats

- **Universal benefit:** Every adult citizen benefits equally, regardless of income, employment status, race, gender, or geography.
- **Addresses structural inequality:** Automation wealth is shared with all citizens rather than concentrated among technology owners and institutional investors.

- **Not means-tested:** No bureaucratic determination of eligibility, no income thresholds, no degrading application processes. Every citizen receives their share as a right of citizenship.
- **Builds long-term economic security:** Quarterly dividends provide a stable economic foundation for every American household, enabling education, homeownership, entrepreneurship, and retirement planning.
- **Environmental alignment:** The Trust's investment strategy can prioritize green automation, renewable energy infrastructure, and sustainable production systems.

For Libertarians / Independents

- **Property rights:** Citizens own their shares as a right — not a privilege granted by government discretion.
- **Minimal bureaucracy:** The AAT is administered by a small independent board with a clear fiduciary mandate — not a sprawling federal agency.
- **No new taxes:** Production-sharing, not taxation, funds the system. The production split is a commercial participation agreement, not a tax levied by sovereign authority.
- **Individual benefit:** Each citizen receives their own dividend based on their own share — this is an individual ownership right, not a collective program.

Section 10: Risks and Mitigations

Risk	Description	Mitigation
Political capture	The FATB Board becomes politicized, with members prioritizing political objectives over fiduciary duty to citizen-shareholders	Staggered 6-year terms, bipartisan appointment structure, citizen-elected member, binding fiduciary duty with legal enforcement, removal only for cause, GAO audit, Inspector General oversight
Revenue shortfall	Automated output grows slower than projected, resulting in lower-than-expected dividends	Adjustable production-split terms allow phased increases as output grows; diversified asset base reduces single-sector dependency; reinvestment reserve provides buffer during ramp-up periods
Constitutional challenge	Legal challenge to Congress's authority to impose the production-sharing framework	Commerce Clause foundation; extensive PSA precedent in natural resource law; mineral royalty precedent (Mineral Leasing Act, 1920); spectrum fee precedent; Alaska Permanent Fund has survived all challenges
Industry resistance	Major technology and automation companies lobby against participation in the production-sharing framework	Voluntary early-adoption incentives (preferential terms for early participants); phased implementation allows demonstration that 30% retention exceeds current post-labor profit margins; guaranteed consumer demand from citizen dividends benefits all companies
Dividend volatility	Quarterly dividend payments fluctuate based on automated output variation, creating household budgeting uncertainty	Stabilization reserve fund (5% of total Trust assets held as a buffer); dividend smoothing mechanism averages quarterly payments over a rolling period to reduce volatility
Technology disruption	The automation landscape changes rapidly, potentially rendering specific Trust assets obsolete	Flexible asset allocation authority allows the FATB to rebalance; technology-neutral production-split framework applies to all automated output regardless of the specific technology employed
Automation buildout timeline	Physical automation infrastructure takes longer to deploy than projected, delaying full maturity	Phased geographic rollout manages expectations; AI-accelerated manufacturing reduces build times; exponential scaling (robots building robots) enables non-linear growth; early phases generate revenue while later phases build out

Section 11: Prior Art and Intellectual Lineage

The American Automation Trust does not emerge from a vacuum. It builds on a rich lineage of policy proposals, economic theory, and proven institutional models. Acknowledging this intellectual heritage strengthens the proposal — it demonstrates that the AAT is grounded in tested mechanisms, not speculative theory.

11.1 Direct Precedents and Foundational Models

The Alaska Permanent Fund (1976): The original citizen-dividend-from-resource-extraction model. Alaska constitutionally established a trust fund capitalized by oil royalties, distributing annual dividends to every resident. The Fund has paid continuous dividends for over 40 years, survived all legal challenges, and enjoys overwhelming bipartisan public support. The AAT applies this same logic to automation as the "resource" being extracted.

The Federal Thrift Savings Plan (1986): Established by the Federal Employees' Retirement System Act, the TSP is administered by the Federal Retirement Thrift Investment Board (FRTIB) — an independent federal agency with a fiduciary duty to participants. Participants own their accounts; the government administers but does not own. The AAT's governance structure (the Federal Automation Trust Board) is directly modeled on the FRTIB.

The Social Security Trust Fund (1935): Citizens are beneficiaries of a government-administered trust. The government serves as trustee, not owner. The AAT extends this trust model to automation-generated wealth, applying the same legal relationship (trustee/beneficiary) to a new asset class.

11.2 Related Policy Proposals

Bill Gates' Robot Tax (2017): In a widely discussed interview, Gates proposed taxing companies that deploy robots replacing human workers, with revenue funding retraining programs and social services. Gates correctly identified the core problem — automation displacing labor income — but proposed a tax-and-spend solution rather than an ownership model. The AAT advances beyond this by making citizens owners rather than beneficiaries of government spending. Ownership generates compounding returns; spending generates dependency.

Matt Bruenig and the American Solidarity Fund (2018): Published by the People's Policy Project, Bruenig's proposal is the closest intellectual relative to the AAT. He proposed a sovereign wealth fund

issuing one share per citizen, funded by corporate equity transfers and financial transaction fees, paying a universal basic dividend. The AAT differs in three critical ways: (1) it is funded by a production-sharing agreement rather than equity transfers or transaction taxes; (2) it focuses specifically on automation infrastructure as the asset class rather than broad market equities; and (3) it treats the production split as a commercial participation agreement rather than a tax — a distinction with significant legal and political implications.

Trump Administration Sovereign Wealth Fund Executive Order (February 2025, EO 14196): Directed the Treasury and Commerce departments to develop a plan for a U.S. sovereign wealth fund within 90 days. The order signaled bipartisan openness to the concept of a national investment fund but did not specify automation-focused assets, citizen ownership shares, or dividend distribution mechanics. The AAT provides the detailed architecture that the executive order's framework left open.

Rep. McGarvey's H.R. 9543 (September 2024): Proposed establishing an American Sovereign Wealth Fund, advancing the concept in legislative form. Like the Trump executive order, it established the general framework without specifying the automation-focused, citizen-owned trust structure that defines the AAT.

11.3 What Is Novel in the AAT

While the AAT draws on proven foundations, its specific synthesis is original:

The 30/60/10 Production Split: A production-sharing agreement applied to all automated output — not a tax, not a small royalty, but a fundamental restructuring of how automated production value flows through the economy. No prior proposal has specified this three-way allocation applied to total automated output.

The Federal Automation Trust Board (FATB): A purpose-built independent agency with a hybrid appointment structure (presidential, congressional, Federal Reserve, and citizen-elected members) specifically designed for automation trust governance. Prior proposals have either relied on existing agencies or left governance structure unspecified.

Automation infrastructure as a distinct asset class: Rather than investing in broad market equities (Bruenig) or collecting general taxes (Gates), the AAT holds ownership stakes specifically in the nation's automated production infrastructure — robots, AI systems, automated factories, energy grids, and digital infrastructure.

Tiered equity ownership strategy: A three-tier approach (9%/25%/49%) calibrated to SEC regulatory thresholds, giving the Trust maximum strategic flexibility while managing legal complexity and political optics.

Constitutional compliance mapping: The AAT is the first proposal to systematically map its structure against specific constitutional provisions (Commerce Clause, Property Clause, Takings Clause, Equal Protection) and existing legal precedents, providing a clear roadmap for legislative drafting and judicial defense.

Accelerated phased state rollout: A six-year geographic deployment prioritized by automation density, creating proof of concept in the most automated states before scaling nationally — a deployment strategy no prior proposal has specified.

Summary

The AAT's strength lies not in any single innovation but in the careful integration of proven mechanisms into a deployable, constitutionally grounded, politically viable whole.

Appendix A: Glossary of Key Terms

Term	Definition
30/60/10 Production Split	The fundamental allocation formula for automated output value — 30% to operating companies (operating costs, profits, R&D, expansion), 60% to the AAT Trust Fund (citizen dividends and reinvestment), and 10% to the U.S. Treasury (federal operations).
American Automation Trust (AAT)	The federally chartered trust fund holding automation assets for the benefit of all adult U.S. citizens. The Trust generates revenue through a production-sharing agreement on automated output and distributes quarterly dividends to citizen-shareholders.
Federal Automation Trust Board (FATB)	The independent federal agency that administers the AAT, makes investment and asset allocation decisions, and has a binding fiduciary duty to act solely in the interest of citizen-shareholders. Governed by a 7-member Board of Governors with staggered 6-year terms.
Citizen Share	The non-transferable, non-sellable, non-inheritable beneficial ownership stake held by every adult U.S. citizen (age 25+) in the AAT. One share per citizen. Rights begin at age 25 or naturalization and end at death or renunciation of citizenship.
Beneficial Ownership	Legal ownership of the economic benefits (dividends, returns) of Trust assets, without direct operational control over the assets themselves. Citizens are beneficial owners; the FATB manages the assets on their behalf.
Trust Assets	The total value of all assets held by the AAT Trust Fund, including equity positions in automation companies, production-sharing revenue streams, infrastructure bonds, technology licensing rights, and physical automation infrastructure.
Fiduciary Duty	The binding legal obligation of the FATB Board of Governors to act solely in the interest of citizen-shareholders — not the government, not political parties, and not any individual company or industry.
Automation Threshold	The statutory level of automation deployment at which a company becomes a participant in the production-sharing framework and begins remitting its 70% share to the Trust Fund and Treasury.
Stabilization Reserve	A portion of Trust assets (approximately 5%) held as a buffer to smooth quarterly dividend fluctuations, ensuring that citizen-shareholders receive predictable payments even during periods of output variation.
Production-Sharing Agreement (PSA)	The legal framework under which automated output value is allocated among operating companies, the Trust, and the Treasury. Modeled on PSAs used worldwide in natural resource economics by nations including Norway, the UAE, and Saudi Arabia.

Term	Definition
Tiered Equity Ownership	The AAT's three-tier approach to equity stakes in companies: Tier 1 (up to 9%) for public companies, Tier 2 (up to 25%) for strategic partnerships and joint ventures, and Tier 3 (up to 49%) for critical national automation infrastructure.

Appendix B: Comparison with Existing Federal Trust Models

Feature	Social Security Trust Fund	Thrift Savings Plan	Alaska Permanent Fund	American Automation Trust (Proposed)
Legal basis	Social Security Act (1935)	Federal Employees' Retirement System Act (1986)	Alaska Constitution, Art. IX, §15 (1976)	Proposed American Automation Trust Act
Administering body	Social Security Administration	Federal Retirement Thrift Investment Board (FRTIB)	Alaska Permanent Fund Corporation	Federal Automation Trust Board (FATB)
Ownership structure	Government trust; citizens are beneficiaries	Individual accounts owned by participants	State trust; citizens are dividend recipients	Federal trust; citizens hold one equal share each
Revenue source	Payroll taxes (FICA)	Employee and employer contributions	Oil royalties and investment returns	30/60/10 production split on automated output
Benefit type	Monthly retirement and disability payments	Retirement savings withdrawals	Annual dividend (varies by year)	Quarterly dividend ($120,000/year at full maturity)
Constitutional authority	Commerce Clause; General Welfare Clause	Federal employment authority	State constitutional amendment	Commerce Clause; Property Clause; Equal Protection
Transferability	Non-transferable	Limited (loans, hardship withdrawals)	Non-transferable (residency-based)	Non-transferable (citizenship-based)
Benefit calculation	Based on individual earnings history	Based on contributions and investment returns	Equal per-resident share	Equal per-citizen share ($120,000/year at maturity)
Government role	Trustee and administrator	Administrator via independent board	Administrator via state corporation	Administrator via independent FATB; Federal Reserve as custodian

Feature	Social Security Trust Fund	Thrift Savings Plan	Alaska Permanent Fund	American Automation Trust (Proposed)
Governance analogy	N/A	N/A	N/A	FATB = Edelman Financial Engines (advisor); Fed = Voya (custodian)

Appendix C: About the Author

Brian K. Stephenson is the architect and founder of the American Automation Trust (AAT). His work focuses on the institutional and economic design of broad-based citizen ownership systems for an automated economy, with particular emphasis on constitutional structure, trust governance, and market-compatible mechanisms for distributing automation-driven wealth.

The AAT framework emerged from his effort to address a central structural problem of advanced automation: how to preserve household income, consumer demand, and social stability when production increasingly depends on capital-intensive machines rather than wage labor. This document reflects that effort to translate the idea into a deployable legislative and institutional framework suited to American law and governance.

The American Automation Trust — Blueprint v1.5

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It does not constitute legal advice, a formal legislative proposal, or an official government document.

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