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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

July 31, 2025

The Honorable Howard Lutnick
Secretary
Department of Commerce
1401 Constitution Avenue. NW
Washington, D.C. 20230

The Honorable Marco Rubio
Secretary
Department of State
201 C Street, NW
Washington, D.C. 20520

Dear Secretary Lutnick and Secretary Rubio,

U.S. leadership in artificial intelligence should be built at home by American workers. AI is a transformative technology, and it is imperative that we harness its potential to enhance our security and prosperity. We write to ensure this commonsense proposition is reflected in the upcoming rule replacing the Framework for Artificial Intelligence Diffusion (hereafter, the “Diffusion Rule”). Specifically, we request that the upcoming rule maintains provisions that incentivize companies to keep a majority of their computing infrastructure used to train frontier models in the United States and imposes robust security guardrails on overseas data centers. These requirements serve as an important backstop against outsourcing our core advantage in AI overseas.

AI is infrastructure. Powerful computing clusters are required to train AI models and deploy them at scale. While the People’s Republic of China (PRC) has demonstrated an ability to be a fast follower in algorithmic advances, the United States holds a structural advantage through its abundance of computing infrastructure. Across the United States, American workers are building scores of large AI computing clusters, as well as the supporting industries – steel, energy, manufacturing – to sustain this infrastructure. When combined with U.S. ingenuity and competitive markets, this computing power advantage promises to usher in a new generation of AI advances that benefits American prosperity and security.

This core American advantage should remain at home. Multinational corporations, attracted by generous subsidies and preferential treatment, are eager to locate an increasingly large portion of their AI infrastructure outside of the United States. If left unchecked, outsourcing could move the

center of gravity for cutting-edge AI training and deployment away from the United States. This could, in turn, imperil U.S. security, ceding the development of advanced AI for military applications to countries that are not aligned with American values and interests. And it would deprive many Americans of the jobs and economic benefits associated with this once-in-a-generation AI infrastructure buildout.

We have seen this happen in other industries. Despite pioneering the semiconductor industry, U.S. share of global semiconductor production has fallen from 37 percent in 1990 to just 12 percent today.¹ The United States invented and commercialized solar panels and lithium-ion batteries, but the PRC stole the technology, scaled the industries, and now sells it back to us at a premium.² We cannot afford for this to happen to advanced artificial intelligence.

Export controls play a key role in both discouraging companies from outsourcing critical technologies like AI and ensuring those technologies are not misused once exported. While the Diffusion Rule was rightfully criticized for being overly complicated and burdensome, it is essential that the Administration issues a replacement that keeps the center of gravity for AI infrastructure in the United States and imposes strong, robust security requirements on overseas facilities.

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



M. Michael Rounds
United States Senator

¹ New York Times, “The Global Effort to Make an American Microchip,” Ana Swanson and Lazaro Gamio, March 20, 2024, <https://www.nytimes.com/interactive/2024/03/20/business/economy/semiconductor-chip-manufacturing-us.html>.

² Information Technology and Innovation Foundation, “How Innovative Is China in the Electric Vehicle and Battery Industries,” Stephen Ezell, July 29, 2024, <https://itif.org/publications/2024/07/29/how-innovative-is-china-in-the-electric-vehicle-and-battery-industries/>.