# THE FEDERAL GOVERNMENT IN THE AGE OF ARTIFICIAL INTELLIGENCE

## HEARING

BEFORE THE

## COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

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# C O N T E N T S



## WITNESSES



*Written opening statements and bios are available on the U.S. House of Representatives Document Repository at: docs.house.gov.*

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*The documents listed are available at: docs.house.gov.*

ADDITIONAL DOCUMENTS

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* Questions for the Record: to Mr. Bajraktari; submitted by Rep. Gosar.
* Questions for the Record: to Mr. Bajraktari; submitted by Rep. Longworthy.
* Questions for the Record: to Ms. Miller; submitted by Rep. Gosar.
* Questions for the Record: to Mr. Schneier; submitted by Rep. Ansari.
* Questions for the Record: to Mr. Shah; submitted by Rep. Gosar.
* Questions for the Record: to Mr. Thierer; submitted by Rep. Gosar.
* Questions for the Record: to Mr. Thierer; submitted by Rep. Langworthy.

*These documents were submitted after the hearing, and may be available upon request.*

# THE FEDERAL GOVERNMENT IN THE AGE OF ARTIFICIAL INTELLIGENCE

**Thursday, June 5, 2025**

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
*Washington, D.C.*

The Committee met, pursuant to notice, at 10:03 a.m., in HVC–210, U.S. Capitol Visitor Center, Hon. Nancy Mace presiding.

Present: Representatives Mace, Jordan, Turner, Gosar, Foxx, Grothman, Cloud, Palmer, Higgins, Sessions, Biggs, Fallon, Donalds, Perry, Timmons, Burchett, Greene, Boebert, Luna, Burlison, Crane, McGuire, Gill, Norton, Lynch, Krishnamoorthi, Khanna, Mfume, Brown, Stansbury, Garcia, Frost, Lee, Casar, Crockett, Randall, Subramanyam, Ansari, Bell, Simon, Min, and Pressley.

Also present: Representatives Trahan and Moskowitz.

Ms. MACE. Good morning. The Committee on Oversight and Government Reform will now come to order, and we welcome everyone this morning.

Without objection, the Chair may declare a recess at any time.

I recognize myself for the purpose of making an opening statement.

Good morning and thank you for joining us for this discussion on the Federal Government and artificial intelligence today. AI is no longer some futuristic idea. It is here and it is already reshaping everything from health care and national defense to finance and fraud prevention. The Federal Government has a responsibility to harness this technology to make government work faster and more efficiently for the American people. Today, we will highlight the critical uses of AI in the Federal Government, which create efficiencies, improve services, and save taxpayers a whole lot of money.

The Department of Defense is using AI to improve decision-making and protect our men and women in uniform. Federal agencies are using AI to detect fraud before it happens by using the technology to identify patterns of fraudulent behavior and working proactively to prevent improper payments. AI agents are beginning to help the administrative tasks, freeing up Federal employees to focus on their mission instead of paperwork. However, barriers remain and challenges must be addressed so the government is to fully realize the benefits of this transformative technology. For example, many outdated legacy IT systems do not integrate with new

technologies. A cumbersome procurement process limits agency access to some of the best new technologies, including those utilizing AI, and poor data management leads to information silos and duplicative work, which cost taxpayers money and prevents agencies from realizing the full potential of AI.

This Committee has continued to highlight these challenges and will play a major role in addressing them, including by continuing bipartisan legislative efforts from last Congress. This includes the bipartisan Federal AI Governance and Transparency Act led by Chairman Comer and then Ranking Member Raskin, which laid out a vision for transparent and trustworthy AI use in government. It also includes the AI Training Extension Act, which I sponsored last Congress and reintroduced today. This bill will equip Federal employees with the AI literacy and skills necessary to leverage AI across the Federal Government.

I ask unanimous consent to enter into the record a statement from the Chairman Comer highlighting the pivotal role this Committee has to ensure agencies deploy AI responsibly and the bipartisan efforts of the Committee on these issues. Without objection.

President Trump has rightly identified the importance of U.S. dominance in AI and has taken action to remove unnecessary barriers and unleash innovation. This is a refreshing reversal from the heavy-handed regulation first approach to AI taken by the Biden Administration. Last Congress, my Subcommittee on Cybersecurity, Information Technology, and Government Innovation held multiple hearings on the disastrous impacts of overreaching policies, and I was relieved to see the former President Biden's AI executive order rescinded on day one. This was a critical first step, and since then, the White House has directed agencies to prioritize the deployment of AI and improve procurement processes to eliminate barriers to the Federal Government's use of AI. I believe it is important for this Committee to watch these developments closely and work to ensure the executive branch has the tools and authorities to deploy AI at scale and realize the full potential of this incredible technology.

I want to thank each of our witnesses this morning for sharing their time with us today and look forward to hearing from each of you. I also want to thank my colleagues from the other side of the aisle who showed up in great number this morning, too. I appreciate your interest in this topic. This has been a bipartisan topic for this Committee. And with that, I would like to recognize Ranking Member Lynch for his opening statement.

Mr. LYNCH. Thank you very much. Good morning, Madam Chair, and again, thank you for calling this hearing on the use of artificial intelligence in our government.

Optimizing the Federal Government's use of technology has long been a bipartisan priority of this Committee. Indeed, as you know, Madam Chair, our late colleague and friend, Gerry Connolly, was a steadfast champion for using modern technology to improve the delivery of government services, strengthen oversight, and enhance public trust. We continue to fight his fight on this and so many other critical challenges facing our government. We cannot sit here, however, and have the traditional bipartisan conversation about Federal IT modernization without acknowledging the fact that the

Trump Administration, Elon Musk, and DOGE are leading technology initiatives that threaten the privacy and security of all Americans and undermine our government and the vital services it provides to red states and blue states. Musk may say he has stepped away from his role in the Federal Government, but his recklessness will continue to have devastating consequences for America for years, possibly decades to come.

Today, we will work to better understand the disaster and danger the Trump Administration has created by turning our government over to his biggest campaign donor and people who are more interested in self-enrichment than public service. Since President Trump's inauguration, he has given Elon Musk free rein to terrorize our civil servants and drive more than 275,000 Federal employees from their jobs serving the American people. His DOGE team has done this so capriciously that they have had to go back to people that they originally fired and beg them to return to their jobs, serving our veterans, maintaining our nuclear stockpile, and fighting bird flu. At the Social Security Administration, whistleblowers have told us that the Agency has lost so many critical information technology and support staff, that very few of the remaining workers even know how to handle errors or alerts in their computer systems. This could mean missed checks and millions of seniors and people with disabilities losing access to their financial lifeline. While they purged the Federal Government of expertise, Elon Musk and DOGE reportedly fed sensitive government data, including Americans' private personal information, into unvetted and unaccountable AI software. They also reportedly deployed a Musk-owned generative AI chatbot called Grok to consume government data and assist with sensitive government decisions. Grok has even been deployed onto systems at the Department of Homeland Security, despite the fact that it has not been approved for use.

Musk has been operating without any oversight whatsoever, while posing a very real risk of violating security and privacy laws, accessing confidential information about his competitors, and using valuable Federal data bases to turbocharge his own AI system, which would mean more money and more power for Mr. Musk. The American people deserve answers. Musk and DOGE have put the most personal data of every American at risk. Cybersecurity experts like Mr. Schneier, who is here with us today, are sounding the alarm that the holes DOGE has created in our national cybersecurity system are gaping and pervasive. And now, in this horrifying, insecure environment, the Trump

Administration wants to centralize all of Americans' data into one massive data base, which would allow full-spectrum surveillance of American citizens, making it even easier for bad actors to hack, and, of course, they have contracted with a big, private tech company owned by one of President Trump's billionaire supporters to do just that.

Four months ago, Democrats moved to subpoena Elon Musk to provide public testimony to this Committee. At that time, our Republican colleagues complained that their constituents were calling them, their offices, and showing up to town halls to yell at them about Musk. Well, Americans' concerns have only deepened since

then. From his erratic purge of the Federal workforce to his exploitation of sensitive taxpayer data, to the cybersecurity nightmare he has created, and the horrifying surveillance state we fear, Musk has put the American people into a position where they demand answers from Elon Musk. I believe, too, that my Republican colleagues should have had some questions of their own for Mr. Musk.

Recent allegations have left Americans wondering if he was potentially under the influence of drugs while at the very heart of the Trump Administration's most consequential and sensitive decisions. It is worth investigating whether one of President Trump's most influential advisors was under the influence of heavy drugs while upending hundreds of thousands of American lives, breaking government services beyond repair, and handing out death sentences for hundreds of thousands of innocent people around the world who relied on American foreign aid and medical care for survival, most of whom were children.

If this does not move my Republican colleagues, maybe they just want to hear from Musk on why he called their bill to cut Medicaid and give tax breaks to billionaires—this is Elon Musk's words—"a disgusting abomination," and "massive, outrageous, pork filled congressional spending bill," or why he spent the last 24 hours leveraging his social media to "Kill the bill." Or maybe they want to know why Musk has said that his next round of firings might be targeted at them, Republican politicians who have not toed the line on Musk's priorities.

Regardless of your motivations, Democrats and Republicans alike simply cannot allow Elon Musk to escape accountability for his actions. He has dismantled our government, endangered Americans, and weaponized public service for his own financial gain. I ask my Republican colleagues, let us work together on this. Let us support oversight that Democrats today in moving that this Committee subpoena Elon Musk to answer for his actions. All of us deserve answers on behalf of the American people.

So, Madam Chair, therefore, pursuant to Clause 2(k)(6) of House Rule XI, I move that we subpoena, this Committee, Republican and Democrat, subpoena Elon Musk to testify before this Committee.

Mr. MFUME. I second the motion.

Ms. MACE. We will suspend for a moment. Thank you.

Mr. CASAR. Chairwoman, point of order. When are we going to vote on subpoenaing Musk?

Ms. MACE. We are doing a point of order right now with the parliamentarian.

Mr. HIGGINS. Madam Chair?

Ms. MACE. Thank you. We are suspended.

Mr. KRISHNAMOORTHI. Madam Chair, may I be recognized?

Ms. MACE. Yes, sir.

Mr. HIGGINS. Madam Chair, I move to table the gentleman's motion.

Ms. MACE. OK. The motion is not debatable.

As many as are in favor of tabling, signify by saying aye.

[Chorus of ayes.]

Ms. MACE. All those opposed, signify by saying no.

[Chorus of noes.]

Mr. LYNCH. I ask for a recorded vote.

Ms. MACE. In the opinion of the Chair, the ayes have it, and the motion to table is agreed to.

The Committee will now resume consideration——

Mr. LYNCH. I ask for a recorded vote.

Mr. CASAR. Interesting opinion.

Mr. KRISHNAMOORTHI. Madam Chair?

Mr. MFUME. A recorded vote is requested.

Mr. KRISHNAMOORTHI. Parliamentary inquiry.

Ms. MACE. OK. A recorded vote is ordered, and the clerk will call the roll.

OK. We are going to suspend to allow the clerk to get ready.

Mr. KRISHNAMOORTHI. Parliamentary inquiry.

Ms. MACE. Yes, sir.

Mr. KRISHNAMOORTHI. Madam Chair, thank you. Is it the custom of the Committee to shut down debate on such an important motion?

Ms. MACE. This is not an inquiry. This is not an inquiry. We are suspended.

Mr. KRISHNAMOORTHI. The gentleman from Massachusetts mentioned that Mr. Musk was potentially under the influence of ketamine——

Ms. MACE. This is not debatable right now. I love you. It is not debatable right now, and this is not a point of inquiry.

Mr. KRISHNAMOORTHI [continuing]. And other——

Ms. MACE. But you look good in front of the photos. You look great right now. You look good.

Mr. KRISHNAMOORTHI. So, is this the——

Ms. MACE. You are not recognized right now. There is not a point of inquiry. Thank you. We are suspended until the clerk is ready to call the roll.

Mr. FROST. Move to call the roll.

Ms. MACE. We are suspended again. For the third time, we are suspended until the clerk can call the roll. Thank you.

[Pause.]

Ms. CROCKETT. Madam Chair, point of inquiry.

Ms. MACE. OK. Yes, ma'am.

Ms. CROCKETT. Is the clerk here?

Ms. MACE. The clerk is here and preparing to call the roll.

Ms. CROCKETT. OK.

Ms. MACE. Thank you.

Ms. CROCKETT. Can you explain exactly what preparing requires?

Ms. MACE. She has to get paperwork. She has to get seated. She has to do all that. Thank you. She sure does, yes.

Ms. STANSBURY. Or you guys have to find your Members who did not attend the hearing. That is probably more likely.

Mr. KRISHNAMOORTHI. Madam Chair, inquiry, please.

Ms. MACE. Yes, sir. Do you want more video with Elon behind you? You already got a good clip.

Mr. KRISHNAMOORTHI. Could we have a unanimous consent motion to structure debate for 10 minutes, each side gets 5 minutes to debate——

Ms. MACE. We are getting ready to do a recorded vote.

Mr. KRISHNAMOORTHI [continuing]. Whether he was under the influence of drugs?

Ms. MACE. We cannot do that. We are not able to do that right now. Let us do the recorded vote, then we can talk about it after. Thank you.

Ms. CROCKETT. Parliamentary inquiry.

Ms. MACE. Yes, ma'am.

Ms. CROCKETT. Do we have an assistant clerk that can move maybe a little bit faster? We have a room full of people.

Ms. MACE. This is not an inquiry. Thank you.

Ms. CROCKETT. It was a question. Do we have an assistant clerk?

Ms. MACE. It is not a parliamentarian inquiry, so, no, we are not having this debate.

Mr. MFUME. But it is a point of order.

Ms. MACE. It is not. A motion to table is not debatable. Thank you.

Ms. CROCKETT. We are not debating that. We are asking about the clerk.

Mr. MFUME. We were not asking for a point of order. Will the parliamentarian rule on the point of order?

Mr. FROST. Is the parliamentarian here?

Ms. MACE. The gentleman must state his point of order.

Mr. MFUME. It was the gentlelady's point of order that was overruled because it was determined that it was not a point of order when in fact it is. I think that she should be allowed to——

Ms. MACE. She stated it was an inquiry, not a point of order, from my recollection, but if she would like to restate it, that is fine.

Mr. MFUME. Oh.

Ms. CROCKETT. Madam Chair, point of order.

Ms. MACE. Yes, ma'am.

Ms. CROCKETT. Do we not have an assistant clerk who can make sure that we can continue to do the business in an efficient way in Oversight because it has historically never taken this long for the clerk to call the roll.

Ms. MACE. We are going through the process right now, and we will have a recorded vote as soon as we are able to.

Mr. LYNCH. Just to restate the gentlelady's point, Democrats are here. We think this is an important issue. We are ready to vote.

Ms. MACE. The gentleman must state a point of order.

Mr. LYNCH. And we welcome the opportunity to debate this. This is a serious issue.

Ms. MACE. Is there a point of order, Mr. Lynch?

Mr. KRISHNAMOORTHI. The gentleman has the Floor. Let him finish.

Ms. MACE. I am the Chairwoman. Thank you. Women are allowed to speak on this Committee, and I ask for a point of order.

Ms. CROCKETT. Point of inquiry. Madam Chair, point of inquiry. I should, hopefully, get to speak?

Ms. MACE. Yes, ma'am. Yes, you are. Yes, you are babe.

Ms. CROCKETT. Is it possible for us to just do a roll call without the clerk to determine what Members are here so that we can determine if we all really have the votes?

Ms. MACE. No, ma'am. Thank you.

Ms. STANSBURY. For those of you watching at home, the Republicans are not in the room, so they are trying to find their Members so that they can——

Ms. MACE. You are not recognized, Ms. Stansbury. Thank you. You can be quiet now.

Ms. STANSBURY. Neither are any of your Members because they are not in the room. Thank you.

Mr. LYNCH. Madam Chair, on a point of order, Democrats have a clerk that is available to record a vote.

Ms. MACE. OK. Mr. Lynch, the Chair will not entertain points of order regarding the propriety or expediency of a proposed course of action. This is my final ruling on such points of order. Thank you.

Mr. LYNCH. Madam Chair, a point of inquiry then.

Ms. MACE. Yes, sir.

Mr. LYNCH. Would it not be permissible to have the Democratic clerk record the vote and to begin it now?

Ms. MACE. No, sir, it is not. Thank you.

Ms. CROCKETT. Madam Chair?

Ms. MACE. Yes, ma'am.

Ms. CROCKETT. Is the only reason we cannot take a vote is because you know you are about to lose it?

Ms. MACE. Is there a point of inquiry here, because I did not hear one.

Ms. CROCKETT. That was my inquiry. Is the reason we——

Ms. MACE. That is not a valid inquiry. Thank you.

Ms. CROCKETT. OK.

Mr. MIN. I have a point of inquiry, Madam Chair.

Ms. MACE. Yes, sir.

Mr. MIN. I was just wondering, being new to this Committee, what is the basis or rule on which you are not allowing the Democratic clerk to start the vote?

Ms. MACE. We have our own clerk. That is why.

Mr. MIN. Is that based on the rule or?

Mr. CRANE. It is based on the fact that you guys lost the election because of your crazy policies. And you guys do not control the chamber.

Mr. MIN. Is that in the rules? Madam Chair, I just wanted to follow-up, would appreciate an answer to the question. We have witnesses who have flown in from around the country.

Ms. MACE. This is Committee practice. Thank you for your inquiry, and we will start the vote momentarily. Thank you.

Mr. LYNCH. Madam Chair, just a point of inquiry.

Ms. MACE. Yes, sir.

Mr. LYNCH. It has now been 10 minutes, and this motion is simply to bring Mr. Musk forward so that we can ask him questions on behalf of the American people. I think the Democratic position has been very reasonable, very deliberate. You have got a lot——

Ms. MACE. The motion is to table, and there is no debate. Thank you, Mr. Lynch.

Mr. LYNCH. Again, Madam Chair, Democrats are all here, and we are ready to vote. It is now 11 minutes.

Ms. MACE. You are not recognized, but you do look good for your clips later, for social media, with Elon and all the words behind you. It looks good.

Mr. LYNCH. Appreciate it.

Ms. MACE. The blue is good with the red color.

Mr. LYNCH. I appreciate that. Thank you. I really appreciate that. Thank you.

Mr. FALLON. Madam Chair, parliamentary inquiry. In a minute, will it be another minute?

Mr. BURCHETT. Probably 12, right?

Ms. MACE. Could be.

Mr. FALLON. It is debatable, depending on the math, I suppose.

Ms. CROCKETT. Madam Chair. Madam Chair, I have a unanimous consent.

Ms. MACE. We are in the middle of getting ready to vote, so we cannot do that right now. We can do that after.

Ms. CROCKETT. Is that the rule because the clerk has not been ready for the last 15 minutes, almost.

Ms. MACE. You are not recognized. Thank you.

Ms. CROCKETT. So, we are not doing unanimous consent.

Ms. MACE. Not in the middle of a motion to table and a recorded vote we are preparing to take.

Ms. CROCKETT. Is the clerk seated?

Ms. MACE. You are not recognized right now. Thank you.

Ms. CROCKETT. OK. Since we are sitting here in silence for the——

Ms. MACE. You are not recognized, and there is no point of inquiry. You are not recognized.

Ms. CROCKETT. OK. I will do a point of inquiry.

Ms. MACE. OK.

Ms. CROCKETT. I am seeking an inquiry to determine whether or not it is OK to put it into the record that at the time that this motion was called, only Mr. Gosar, Mr. Grothman, Mr. Higgins, Mr. Fallon, and Mr. Crane, along with yourself, were the only Republicans that were actually in the room.

Ms. MACE. This is not a real point of inquiry. You are not recognized on it either. Thank you.

Ms. PRESSLEY. Madam Chair, I have a legitimate point of inquiry. Madam Chair.

Ms. MACE. Is it for real, this time?

Ms. PRESSLEY. Oh, no, it is very legitimate, very for real. How much taxpayer money are Republicans wasting while delaying this vote to subpoena Elon Musk?

Ms. MACE. That is not a legitimate point of inquiry.

Ms. PRESSLEY. It is very legitimate to the American people.

Ms. MACE. It is not. Thank you. It is not. You are not recognized.

Ms. PRESSLEY. Very legitimate to the American people.

Ms. MACE. It is not, and you are not recognized on it. Thank you.

Mr. FALLON. Madam Chair, parliamentary inquiry.

Ms. MACE. Yes, sir.

Mr. FALLON. How much taxpayer money was wasted when some of the Democrats did not show up to work for almost 2 years during COVID?

Ms. MACE. Also, not a point of inquiry. I love you, Mr. Fallon.

Mr. FALLON. Particularly one from Boston.

Ms. MACE. Also, not a point of inquiry. Thank you.

Ms. PRESSLEY. Who are you talking about? I am sorry, are you engaging in personalities right now? Who are you talking about? Who are you talking about?

Mr. FALLON. I did not say anybody's name.
Ms. PRESSLEY. Who are you talking about?
Ms. MACE. This is not time for debate right now. Thank you.
Ms. PRESSLEY. Well, please.
Ms. MACE. I am being respectful of everybody on both sides of the aisle. Let us be respectful of one another, please.
Mr. FALLON. I am from Pittsville, and I was here.
Ms. MACE. This is not debatable. We are not having a debate on this. We are getting ready to take a recorded vote. Everybody can sit down and turn their microphones off unless you have a point of inquiry, an appropriate point of inquiry. Thank you.
Ms. CROCKETT. Madam Chair, point of inquiry.
Ms. MACE. Yes, ma'am.
Ms. CROCKETT. You said that we were about to take the vote. Oh, the clerk.
Ms. MACE. Yes, we are about to take the vote.
Ms. CROCKETT. Never mind.
Ms. MACE. Thank you.
Ms. CROCKETT. Because I was about to say, your Members finally showed up. I mean, let us go.
Ms. MACE. Thank you, ma'am. All right. A recorded vote is ordered and the clerk will call the roll.
The CLERK. Mr. Jordan?
Mr. JORDAN. Yes.
The CLERK. Mr. Jordan votes yes.
Mr. Turner?
[No response.]
The CLERK. Mr. Gosar?
[No response.]
The CLERK. Ms. Foxx?
Ms. FOXX. Yes.
The CLERK. Ms. Foxx votes yes.
Mr. Grothman?
Mr. GROTHMAN. Yes.
The CLERK. Mr. Grothman votes yes.
Mr. Cloud?
Mr. CLOUD. Yes.
The CLERK. Mr. Cloud votes yes.
Mr. Palmer?
Mr. PALMER. Yes.
The CLERK. Mr. Palmer votes yes.
Mr. Higgins?
Mr. HIGGINS. Yes.
The CLERK. Mr. Higgins votes yes.
Mr. Sessions?
Mr. SESSIONS. Aye.
The CLERK. Mr. Sessions votes aye.
Mr. Biggs?
[No response.]
The CLERK. Mr. Fallon?
Mr. FALLON. Aye.
The CLERK. Mr. Fallon votes aye.
Mr. Donalds?
Mr. DONALDS. Yes.

The CLERK. Mr. Donalds votes yes.
Mr. Perry?
Mr. PERRY. Aye.
The CLERK. Mr. Perry votes aye.
Mr. Timmons?
Mr. TIMMONS. Yes.
The CLERK. Mr. Timmons votes yes.
Mr. Burchett?
Mr. BURCHETT. Yes.
The CLERK. Mr. Burchett votes yes.
Ms. Greene?
Ms. GREENE. Yes.
The CLERK. Ms. Greene votes yes.
Ms. Boebert?
[No response.]
The CLERK. Mrs. Luna?
Mrs. LUNA. Aye.
The CLERK. Mrs. Luna votes aye.
Mr. Langworthy?
[No response.]
The CLERK. Mr. Burlison?
Mr. BURLISON. Yes.
The CLERK. Mr. Burlison votes yes.
Mr. Crane?
Mr. CRANE. Yes.
The CLERK. Mr. Crane votes yes.
Mr. Jack?
[No response.]
The CLERK. Mr. McGuire?
Mr. MCGUIRE. Yes.
The CLERK. Mr. McGuire votes yes.
Mr. Gill?
Mr. GILL. Yes.
The CLERK. Mr. Gill votes yes.
Mr. Lynch?
Mr. LYNCH. No.
The CLERK. Mr. Lynch votes no.
Ms. Norton?
Ms. NORTON. No.
The CLERK. Ms. Norton votes no.
Mr. Krishnamoorthi?
Mr. KRISHNAMOORTHI. No.
The CLERK. Mr. Krishnamoorthi votes no.
Mr. Khanna?
Mr. KHANNA. No.
The CLERK. Mr. Khanna votes no.
Mr. Mfume?
Mr. MFUME. No.
The CLERK. Mr. Mfume votes no.
Ms. Brown?
Ms. BROWN. No.
The CLERK. Ms. Brown votes no.
Ms. Stansbury?
Ms. STANSBURY. No.

The CLERK. Ms. Stansbury votes no.
Mr. Garcia?
Mr. GARCIA. No.
The CLERK. Mr. Garcia votes no.
Mr. Frost?
Mr. FROST. No.
The CLERK. Mr. Frost votes no.
Ms. Lee?
Ms. LEE. No.
The CLERK. Ms. Lee votes no.
Mr. Casar?
Mr. CASAR. No.
The CLERK. Mr. Casar votes no.
Ms. Crockett?
Ms. CROCKETT. No.
The CLERK. Ms. Crockett votes no.
Ms. Randall?
Ms. RANDALL. No.
The CLERK. Ms. Randall votes no.
Mr. Subramanyam?
Mr. SUBRAMANYAM. No.
The CLERK. Mr. Subramanyam votes no.
Ms. Ansari?
Ms. ANSARI. No.
The CLERK. Ms. Ansari votes no.
Mr. Bell?
Mr. BELL. No.
The CLERK. Mr. Bell votes no.
Ms. Simon?
Ms. SIMON. No.
The CLERK. Ms. Simon votes no.
Mr. Min?
Mr. MIN. No.
The CLERK. Mr. Min votes no.
Ms. Pressley?
Ms. PRESSLEY. No. No.
The CLERK. Ms. Pressley votes no.
Ms. Tlaib?
[No response.]
The CLERK. Madam Chairwoman?
Ms. MACE. Aye.
The CLERK. Madam Chairwoman votes aye.
Ms. MACE. And how is Mr. Biggs recorded?
The CLERK. Mr. Biggs is not recorded.
Mr. BIGGS. Aye.
The CLERK. Mr. Biggs votes aye.
Ms. MACE. And how is Ms. Boebert recorded?
The CLERK. Ms. Boebert is not recorded.
Ms. BOEBERT. Aye.
The CLERK. Ms. Boebert votes aye.
Mr. FROST. Madam Chair, parliamentary inquiry.
Ms. MACE. The clerk will report the tally.
The CLERK. Madam Chairwoman, on this vote, the ayes are 21. The nays are 19.

Ms. MACE. The ayes have it, and the motion to table is agreed to.

The Committee will now resume.

OK. I now request unanimous consent that Representative Moskowitz of Florida and Trahan of Massachusetts will be waived on to today's hearing for the purpose of asking questions, and without objection, so ordered.

I am pleased to introduce our witnesses for today's hearing. Our first witness today is Mr. Yll Bajraktari, the President of the Special Competitive Studies Project. Our second witness is Mr. Bhavin Shah, founder and chief executive of the AI company, Moveworks. Our third witness is Ms. Linda Miller, former Deputy Executive Director of the Pandemic Response Accountability Committee and founder of TrackLight. Our fourth witness is Mr. Adam Thierer, Senior Research Fellow at R Street Institute, and our fifth witness today is Mr. Bruce Schneier from the Harvard Kennedy School. We welcome everyone, and we are pleased to have you here this morning.

So, pursuant to Committee Rule 9(g), the witnesses will please stand and raise your right hands.

Do you solemnly swear or affirm the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[A chorus of ayes.]

Ms. MACE. Let the record show the witnesses all answered in the affirmative.

We appreciate all of you being here today and look forward to your testimony. Let me remind the witnesses that we have read your written statements, and they will appear in full on the hearing record. Please limit your oral statements to 5 minutes. As a reminder, please press the button on the microphone in front of you so that it is turned on and the Members up here can hear you. When you begin to speak, the light in front of you will turn green. After 4 minutes, the light will turn yellow. When the red light comes on, your 5 minutes has expired, and we would ask that you please wrap it up.

So, I now recognize Mr. Bajraktari to please begin your opening statement.

## STATEMENT OF YLL BAJRAKTARI
## PRESIDENT
## SPECIAL COMPETITIVE STUDIES PROJECT

Mr. BAJRAKTARI. Chairwoman Mace, Ranking Member Lynch, and Members of the Committee, thank you for the opportunity to testify here today. I am here to make one clear point. While developing advanced AI is a significant moment, the true measure of a Nation's future advantage will not be who has the best models, but who has built the essential digital infrastructure and fosters the deepest adoption of AI across all of the society. To understand the stakes, imagine if at the beginning of the last century, our Nation had failed to embrace electricity and yielded that transformative advantage to our competitors. The consequences would have been devastating.

Today, we face a similar moment. The strategic competition in AI with People's Republic of China is intensifying. Since 2017, Beijing has launched an ambitious campaign to achieve technological supremacy as the key to its global dominance. China is executing this strategy by dedicating vast resources to integrate AI across its entire economy, society, and military. For example, they recently announced $47.5 billion semiconductor fund, which is designed to eliminate reliance on Western technology. They are on track to surpass the U.S. in raw R&D spending, having already tripled their investments since Xi Jinping came to power in 2012 to $500 billion in 2024.

This is all built on dominant infrastructure, including more than 60 percent of the world's 5G base stations. This entire effort is backed by state-sponsored cyber espionage and intellectual property theft designed to acquire and weaponize advanced technology. While the United States still leads AI in research, our primary disadvantage is the slow adoption of these breakthroughs. We are hampered by bureaucratic inertia, outdated IT infrastructure, and a lack of AI literacy in the workforce. Overcoming these barriers is the key to winning the global tech competition. To secure our leadership, United States must take decisive action in the following areas.

First, we need to establish a high-level technology competitiveness council at the White House modeled on the approach we took for the space race to coordinate a unified national strategy and drive rapid AI adoption across the government. Second, we need to significantly increase our investment in AI infrastructure by doubling non-defense AI R&D spending to $32 billion over time and codifying the national AI research and resource. Third, we need to launch a comprehensive national talent strategy to make the U.S. the magnet for AI experts. This means eliminating green card caps for the top STEM talent and promoting AI literacy throughout our educational system. Fourth, we must overhaul the Federal procurement process to rapidly integrate cutting-edge AI from our most innovative companies. Last, we must strengthen our global alliances in AI, 5G, and cybersecurity to ensure the resilience and security for us and our allies.

The bottom line is this: this is not just a competition of invention, but of adoption. It is about who can set the rules for the future. We have faced moments like this before, from the space race to the digital revolution. Our Nation's greatest strength has always been our ability to unite our vision with decisive action. By embracing this challenge together across government, industry, and academia, we will not only secure our leadership, but build a more prosperous and secure future for all Americans. Thank you, and I look forward to your questions.

Ms. MACE. Thank you. I will now recognize Mr. Shah for his opening statement.

**STATEMENT OF BHAVIN SHAH**
**FOUNDER AND CHIEF EXECUTIVE OFFICER**
**MOVEWORKS**

Mr. SHAH. Chairwoman Mace, Ranking Member Lynch, and distinguished Members of the Committee, thank you for the oppor-

tunity to testify on government use and procurement of AI. I am Bhavin Shah, CEO and founder of Moveworks. Moveworks is an enterprise AI company that has spent 9 years successfully helping some of the world's largest organizations to use AI to transform their operations. Today, we face a moment of national importance. The question before us is not whether the Federal Government should adopt AI. It is whether we will lead or follow. Before we talk about the procurement hurdles that we have faced, let me explain to you what Moveworks does.

Moveworks transforms how organizations support their employees. We do this through an enterprise AI assistant, and employees interact conversationally with the assistant in a chat-based interface. They can get IT support, ask H.R. questions, and find company information. But the assistant is not just for looking up information. It can also be used to take actions, such as scheduling time off or obtaining software licenses. Behind the scenes, our platform integrates with all of an organization's technology systems.

Because the AI assistant is a single unified tool, employees no longer have to log in and out of multiple systems to get work done. Organizations can extend the system to simplify and accelerate their most complex business processes, all done safely and securely while respecting permissions. We do this work by combining top-tier language models, like OpenAI's GPT–4, Meta Llama 3, as well as other models from Google's DeepMind, Microsoft, NVIDIA, just to name a few. We put these together with our own enterprise-specific models, all governed by enterprise-grade guardrails, including fact-checking, citations, and security filters. The result is AI that understands work context. It handles complex business processes safely and effectively and follows industry-leading data protection and privacy approaches.

Today, Moveworks serves 5 million employees across 350 organizations, including major companies like Broadcom, Marriott, and CVS Health. We are also used by a number of local governments, such as Scottsdale, Ventura, and Durham County. In addition, government contractors, like Leidos and Northrop Grumman, use Moveworks to make their businesses more efficient. We have seen firsthand how AI drives measurable results. Honeywell reduced IT help desk requests by 80 percent, Broadcom scaled from 10,000 to 50,000 employees without increasing service staff, and the city of Glendale achieved a 514 percent return on its AI investment.

Our experience positions us uniquely to understand the Federal Government's complex requirements. The Federal Government has an unprecedent opportunity. You can leverage AI for efficiency, you can achieve cost savings, you can improve employee experience, and, most importantly, you can therefore improve citizen services. We have engaged with agencies across the government and consistently see enthusiasm for AI adoption, but that enthusiasm has not translated into government procuring AI products like Moveworks.

We have encountered three primary barriers. The first is the FedRAMP process. Moveworks invested 3-and-a-half years and over $8-and-a-half million to achieve FedRAMP-ready status. This is a prohibited barrier for smaller AI innovators, the companies that often develop the most cutting-edge solutions. Second, complex reseller networks. These force innovative companies to work

through intermediaries rather than directly with agencies, adding cost without adding value. Third, multi-year contracting vehicles. These favor large incumbents over agile AI companies. These create delays measured in years. Meanwhile, AI technology advances every month.

American AI leadership requires action, not just intention. The private sector has demonstrated that AI adoption can both be rapid and secure when procurement processes match the pace of innovation. I recommend Congress consider immediate steps to improve government use and procurement of AI. Embed AI education and adoption goals in agency leadership performance plans. Create government developer programs for startups to learn Federal systems. Scale AI proof-of-concept programs for rapid pilots to all agencies, similar to the Investment Horizon's pilot program developed by the Office of the CIO within the Navy. And finally, establish agency innovator programs that allow smaller agencies to serve as test beds for AI implementations. Longer term, we must modernize acquisition policies. We must accelerate procurement timelines. The Federal Government employs the most important workforce in the world, the workforce that operates our democracy and defends our Nation. These public servants deserve the same AI-powered tools that are transforming the private sector's productivity and effectiveness.

We have a choice. We can modernize our procurement process to embrace AI innovation or we can watch other Nations take the lead in government AI adoption while our agencies struggle with outdated processes and missed opportunities. I urge this Committee to champion procurement reform. We need to maintain our competitive edge while serving citizens more effectively.

Thank you, and I welcome your questions and discussions on these critical topics.

Ms. MACE. Thank you. I will now recognize Ms. Miller for her opening statement.

**STATEMENT OF LINDA MILLER**
**FOUNDER AND CHIEF GROWTH OFFICER**
**TRACKLIGHT**

Mr. MILLER. Thank you, Chairwoman, Ranking Member, and Members of the Committee. My name is Linda Miller. I bring a unique perspective today because I spent 10 years at one of the world's most admired agencies, the GAO, as well as I am also the co-founder of an AI technology startup. So, I am coming here with both the perspective of a long history in the oversight community, as well as some of the challenges that have already been raised about trying to bring innovative technology to the U.S. Government.

As DOGE is seeing firsthand, it is hard, if not impossible, to try and impose private sector innovation on the Federal Government. The data challenges alone are formidable. Agencies collect data poorly if they collect it at all. Programs collect their own data in silos. They do not share it even amongst themselves, much less with other agencies. In many cases, agencies do not even know who they are paying. They send money to states in the form of grants, and from there, the money trail is opaque, making payment integ-

rity almost impossible. At TrackLight, to help illuminate who one Federal agency was paying, we spoke to a company who FOIAs data on invoices to state agencies and sells it. For our Federal client, we were going to have to buy the data to tell them who they were paying. The same issue exists at the state level. GAO reported on a grant program that it administered by one state in which a company applied for the same grant 13 times in neighboring counties and got it because the states did not share that data.

The size and complexity of the administrative state and the volume of regulations agencies must comply with make agility and innovation next to impossible. My fellow panelists have made some very smart suggestions about turbocharging the rip and replace efforts of legacy IT systems and removing procurement barriers, but we have to be realistic about how capable government is to enact these rapid changes no matter how badly they are needed. I could spend my time this morning telling you about how we urgently need to adopt AI across government to remain relevant, achieve cost savings, and improve service delivery as well as prevent fraud, waste, and abuse, but I think you already know that. So, I would like to talk about what proactively can be done to move the needle.

GAO has reported that there are almost 25 existing AI requirements in Federal law and guidance today. GSA has established an AI center of excellence which was required by law. Agencies have inventoried AI use cases. They have put in place responsible AI officials, but the government continues to show anemic AI adoption overall. My fear is we have created yet another bureaucratic morass, hamstringing agencies with compliance work and only added the layers of sludge, further slowing down AI adoption. There has been progress. Recent EOs have sought to improve data sharing, which will improve how agencies better make use of data to use AI, and GSA's FedRAMP overhaul is a step in the right direction. I completely agree with Mr. Shah. He spent $8.5 million trying to get FedRAMP certified and successfully getting FedRAMP certified. My small technology company is going to have to put out millions of dollars to do the same.

But AI adoption is the perfect candidate for what is called a regulatory sandbox, which Congress can mandate to speed AI projects to implementation in controlled settings, suspending these layers of bureaucracy. Creative procurement solutions must be explored and carefully monitored, allowing lessons to be learned and shared across agencies. And outdated privacy laws, privacy laws that were designed for a world that existed long before the internet, much less artificial intelligence, has to be revised. I cannot state this more clearly: the bad guys have all our data. We cannot protect Americans' privacy in 2025. Today, privacy protection is going to have to involve advanced technology, like anonymization of sensitive data, and the use of other types of identifiers like behaviors and geolocation.

I would be remiss not to mention the risks, which are real. Lazy, careless use of AI does not just imperil the goals of the AI project, it undermines the trust in the technology itself. Hallucinations are real. Subject matter expertise is vital. Responsible AI is not just a buzzword. Humans in the loop means humans who are trained,

knowledgeable, and paying close attention. This is not a set it and forget it tool. Now is the time to be bold. We cannot change how government operates. Wholesale changes to legacy IT systems and the Federal acquisition system will take years, but we can create innovative laboratories where AI projects can operate in proof-of-concept, regulatory sandboxes in carefully controlled environments to start to show the art of the possible.

I welcome your questions. Thank you.

Ms. MACE. Thank you. I will now recognize Mr. Thierer for his opening statement.

**STATEMENT OF ADAM THIERER**
**SENIOR RESEARCH FELLOW**
**R STREET INSTITUTE**

Mr. THIERER. Chairwoman Mace, Ranking Member Lynch, and Members of the Committee, thank you for your invitation to participate in this important hearing. My name is Adam Thierer. I am a senior fellow at the R Street Institute where I cover emerging technology policy. My message here today focuses on three key points. First, there are meaningful benefits to governmental use of artificial intelligence technologies. Second, Congress and the Trump Administration need to take steps to unlock those benefits by accelerating the modernization of government systems and policies. Third, we must appreciate the connection between broader AI regulation and the benefits the government itself can accrue from these systems.

While the Federal Government is already integrating AI into systems and processes, progress has been slow, and there needs to be more urgency to tap into the many benefits that AI can offer. The bipartisan House Task Force on Artificial Intelligence report from last December noted that, "Each year, the Federal Government spends over $100 billion on information technology and cybersecurity. Approximately 80 percent of this spending goes to operating existing legacy systems that are typically outdated and underpinned by archaic software and hardware components." AI can help address this persistent problem.

Last year, the U.S. Chamber of Commerce released a study on how improved IT processes in eight already helped to "modernize infrastructure, enhance citizen services, improve national security, and foster innovation, and unlock significant long-term cost savings and efficiencies along the way." Doing more with AI could generate even broader benefits. Accenture estimates that by tapping AI systems, Federal agencies could unleash "a productivity windfall for the U.S. Government worth up to $532 billion annually by 2028."

Just earlier this week, the U.K. Government reported that a new trial of AI tools revealed how civil servants who used them freed up 2 weeks a year in working time, and 82 percent of them said they wanted to continue to use AI tools to boost their productivity. AI tools can be particularly helpful in simplifying paperwork and procedural hassles. AI has already been used to improve public records management at many different agencies, including document declassification and Freedom of Information Act requests. AI can also help streamline specific regulations and make them more cost effective to ensure greater value to taxpayers. AI is already

helping governments better administer various public services, including infrastructure management, public safety efforts, healthcare delivery, environmental monitoring, emergency responses, workforce development, and various other citizen services.

As Congress and the executive branch look to continue to clear a path to efficient government AI uptake, the focus should continue to be on addressing barriers to implementation through five main priorities. First, modernize Federal acquisition policies to boost AI adoption, especially by encouraging easier acquisition of sophisticated but cost-effective commercial systems. Second, streamline paperwork and use requirements associated with Federal AI contracts and deployments, especially for small businesses and open-source providers. Third, ensure government data sets are AI ready and interoperable such that the public, researchers, and other organizations can more easily benefit from them. Fourth, enhance in-house government AI talent and improve technical literacy at all levels. And fifth, boost trust and security in government technology systems.

Congress has already passed several laws to facilitate some of these goals, and bipartisan efforts by both the Biden and Trump Administrations have helped expand those efforts, including through chief AI officers in Federal agencies. The OMB recently released very important guidance requiring agencies to "adopt a forward-leaning and pro-innovation approach that takes advantage of this technology to help shape the future of government operations," and "harness solutions that bring the very best value to taxpayers." This Committee and others should assist these efforts by helping the Administration ensure that agencies are AI ready for the future. That means closer oversight of agency modernization and digitization efforts plus the necessary funding to get the job done.

Finally, Congress should recognize there is an important connection between broader AI policy and the benefits governments can gain from AI systems. Proposals to regulate AI systems are proliferating rapidly with over 1,000 AI-related bills already introduced just 5 months into 2025. If these mandates expand, they will significantly raise the cost of deploying advanced AI systems because complicated, confusing compliance regimes would hamstring developers, especially smaller ones. A confusing patchwork of state and local red tape will not only undermine the market for commercial systems, but it will also undermine the government's ability to choose from a diverse array of competitive, cost-effective options.

One recent study from CCIA reported the Federal preemption of state-level AI regulation would benefit the Federal balance sheet by up to $269 billion over the next decade by lowering procurement costs for the Federal Government. Congress needs to protect the interstate marketplace and ensure a robustly innovative and competitive AI ecosystem can develop. Some degree of preemption is needed to achieve this goal and ensure a diverse array of cutting-edge AI solutions are available to government agencies and to the public as consumers of both private and public services.

Thank you so much for inviting me here today. I look forward to your questions.

Ms. MACE. Thank you, and, Mr. Schneier, you are now recognized for your opening statement.

**STATEMENT OF BRUCE SCHNEIER**
**FELLOW AND LECTURER**
**HARVARD KENNEDY SCHOOL**

Mr. SCHNEIER. Thank you, and thanks for inviting me. So, I am a technologist. I have been working in cryptography and cybersecurity since the early 1990s. I write, I teach, I consult, I start companies. I thought a lot about the role of AI in democratic government. I actually wrote a book on this topic that will be published in October. The previous four speakers have talked about the promises of this technology. I want to talk about the national security implications of the way our country is consolidating data and feeding it to AI models.

Chairman Comer said in his statement about this hearing that he wanted to unleash AI responsibly while protecting interests and rights of all Americans. DOGE's actions do exactly the opposite. Over the last few months, DOGE's affiliates have spread across government. They are still exfiltrating massive U.S. data bases, processing them with AI, and offering them to private companies such as Palantir. These actions are causing irreparable harm to the security of our country and the safety of everyone, including everyone in this room, regardless of political affiliation.

This unprecedented security risk is a result of two things: DOGE's sloppy cybersecurity regarding our data and regarding the networks they have accessed, and also the over trusting of AI, current technology, to take over human tasks. You all need to assume that our adversaries have copies of all the data DOGE has exfiltrated and have established access into all the networks that DOGE has removed security controls from, and your data can be used against you. Consider the coercive power of your financial records or your medical records or the government clearance form you filled out. Whoever you think of as your enemy or an enemy of the United States, they can use this data to coerce you or a family member or a member of your staff, and this is true for any elected official or CEO or police officer or judge or nuclear power plant operator. Like, really, it is true for everyone. The more powerful you are, or the more critical your role, the more likely it is that someone will seek to use your data against you.

There is also a military concept called preparing the battlefield, which are the things that you do to the enemy in peacetime to make wartime easier. So, China hacking backdoors into our power grid is an example of that, and preparing to use our data against us is another. So, you should assume that any significant military action against United States will start with every general's bank account being zeroed out. And maybe your bank account is being zeroed out because there is nothing more distracting than your distraught families.

Data is power. Any entity, government or corporate, that holds individual data has the ability to understand, predict, even manipulate behavior. This is Facebook's business model. Our government collects incredibly intimate data about Americans, but its power is limited by how that data is organized. There was security in our data being spread among different government agencies with different rules governing use and sharing. Using AI to reason across disconnected data stores represents a massive increase in govern-

ment power and, therefore, a security threat. DOGE's sloppy security practices also means we cannot trust the data they are using. Did they make copying mistakes? Did some adversaries slip in bad data. Remember that nonsense about 150-year-olds collecting Social Security? That was someone misunderstanding how the data was encoded.

Our adversaries are certainly capable of penetrating the security of any of the companies that DOGE gave our data to and just as capable at poisoning our AI systems. Data integrity is vital, and good AI fed with bad data makes bad decisions and is untrustworthy. Irreparable damage has already been done, but the damage is ongoing. 2015, China hacked OPM, stole data about all Federal workers. That was a major security breach. Continuous real-time access to data is much more dangerous. The longer these vulnerabilities persist, the more adversaries will be able to manipulate data and install backdoors, the more they will be able to manipulate the AIs we are creating, and the more they will be able to secretly influence our policy outcomes.

Sacrificing cybersecurity in an effort to create an AI future not only risks the country, it risks the AIs, which in turn risks our justice system, our legislative system, our banking system, national defense, and all of us, all of you personally. So, thank you, and I welcome questions and conversation.

Ms. MACE. Thank you. I will now recognize Mr. Gosar for 5 minutes.

Mr. GOSAR. Thanks, Chairwoman. Ms. Miller, you described the COVID process as a catastrophic event with a high risk of fraud. I agree. I am the only non-U.S. resident in the United States to have ever killed a national emergency. I killed COVID, but there is not a single receipt, though, and since Bill Clinton through Joe Biden, we have spent over $13 trillion—let me say that again—$13 trillion without a receipt. Could we use AI to examine the funds spent under COVID?

Ms. MILLER. It depends on where that data is available. Certainly, AI can be used to mine any data sets that exist. The question I think you are really asking is whether or not that data exists, and I do not have the answer to that question.

Mr. GOSAR. Well, I hope that we would have some data base because we have a record of where it went, supposedly.

Ms. MILLER. Well, yes. So, we have a record of where a lot of the spending went, and of course the Pandemic Response Accountability Committee, the organization that I helped lead, has a lot of that data on their website about where money was spent during the pandemic. A lot of that money was stolen, something I talk about a lot. We do not know where that money went. A lot of the money that was stolen during the pandemic went to overseas foreign adversarial nation-states.

Mr. GOSAR. So, they also could have—how should I say this? My understanding, there was over 2,000 cases in Arizona alone, that entities or individuals were actually sued by the government to get it back, resulting in compensation of over $300 million. We could use that as well, if it disappeared? Once again, this is based on the data, right?

Ms. MILLER. Yes, it is based on the data. I do not think I am qualified to answer that. Thanks.

Mr. GOSAR. OK. Mr. Shah, you talked about our procurement system. Boy, it is broken. So, how would you use AI during that whole process, because our overruns in our military are outrageous. How can we keep them on track? How does that work?

Mr. SHAH. Yes. I think there are a variety of things to talk about on that topic. One, you can use AI to help with the procurement process itself in terms of analyzing vendors, summarizing submissions, generating use cases and requirements for the different agencies that are looking for new technology. But I think before that, we need to sort of create an environment where these new technologies that can be applied to procurement or anything else in the U.S. Government can make their way into these agencies. And I think that is a human process problem that we have an opportunity here in this Committee to really kind of provide some oversight and correction so that we can go about delivering these great new technologies into these agencies quickly, right?

We have spent years working on this ourselves to try and get into agencies, but if you look at a lot of these procurement, sort of processes, they are multiyear. They are outdated from the 1990s where, essentially, you are thinking about installing software on some server rack that is going to last 5 years, and it might take 2 years to actually go through the procurement process. This is untenable for young companies who have limited cash, limited capital, who want to be able to monetize their investments and especially help the U.S. Government move quickly.

Mr. GOSAR. So, could you use something like a blockchain? See, I am not a techie. I got questions. Could you use a blockchain to kind of utilize some type of—I see you. I will come back to you in a second, but I want Mr. Shah. Is there some kind of technology that will help preserve some of this data or save us?

Mr. SHAH. So, we do not deploy blockchain technology for our solution. We focus squarely on what employees can benefit from when it comes to using AI to be more productive, so I am unfortunately not able to answer how blockchain could be used here. But, generally speaking, technology has been shown in the private sector to have tremendous impacts on their efficiencies and their ability to stay ahead and to lead in the industry.

Mr. GOSAR. Yes, Ms. Miller, I got one more question for you. Could you use AI to audit Medicaid, Medicare? Any comparisons with hospital versus hospital?

Ms. MILLER. Yes, that is a very, very good use case for AI because there are a lot of claims data, and there are a lot of information on providers, and you can look at all that data using AI very quickly and identify patterns that look suspicious. It is an area that I think really is ripe for a lot of innovation in the space because CMS has the opportunity to really mine a lot of that Medicare and Medicaid data using artificial intelligence to identify taxpayer dollars that are being stolen.

Mr. GOSAR. Gotcha. Well, I am out of time. I yield back.

Ms. MACE. Thank you. I will now recognize Mr. Lynch for 5 minutes.

Mr. LYNCH. Thank you, Madam Chair. Mr. Bajraktari, you mentioned in your testimony the value of educating AI literate workers, right? And Mr. Shah, I think you alluded to the same thing. About 25 years ago, I co-founded a charter school in Boston, a public charter school, and what we did was, we saw that most of the jobs that were being created were in math and science and STEM-related industries. So, we created this school that doubled or tripled the amount of educational time that students would be exposed to math and science. It has worked very, very well. Those students score very, very high on math and science and in the MCAS.

Unfortunately, on Monday, the Trump Administration rescinded $325 million from the STEM education grants that we provide to feed that type of activity, that sustain a move toward stronger STEM disciplines within our student bodies, and that was money that was already authorized, so it was not up for debate. This is the stuff we did last year. Cutting $325 million in STEM grants, is that going to help our effort here on AI?

Mr. BAJRAKTARI. Ranking Member Lynch, I think we have to be strategic about how we approach AI adoption at all levels of our educational system. I think if you look at what China is doing, they are introducing AI at every level of their educational system. I think for our kids going forward, having a capability in their pocket to have access to an Einstein AI agentic application that can help them toward tailored education would be an enormous benefit for the next generation of Americans.

Mr. LYNCH. All right. Reclaiming my time. Learning math and science would probably help as well. I am going to just reclaim my time. Thank you though. Thank you. I think you are on the right track there.

Mr. Schneier, can you talk about—so, China has adopted an AI system that is total surveillance of their entire population there. It is non-democratic. It is quite oppressive. Their goal is to be able to surveil every single member of their society, know what they are doing, know what they are purchasing, and for oppressive reasons so that no one gets out of line. Can you talk about the need to, when we adopt, when we approve AI and choose the architecture for our AI, how important it is to make sure that transparency, that respecting privacy, independence, how important it is to have those elements of democracy itself ingrained and embodied in our AI models?

Mr. SCHNEIER. It is vital, and this is why you will see a lot of movements toward public AI, the notion of an AI model that is not built and owned by a for-profit corporation, right? You can imagine other entities creating an AI, and that is really a matter of trust and integrity. Can we trust Grok or even the model from Google or Amazon or any of the other models, or do we as a country need a model that is built on American democratic values and not necessarily corporate values? It is critical to think about this. Do not think of it as one AI. There will be many of them.

Mr. LYNCH. Right.

Mr. SCHNEIER. I mean, already there are over a million models on Hugging Face that are free, and it is becoming cheaper to create these models.

Mr. LYNCH. In your testimony, you talked about the dangers that Elon Musk created by the way he was diving into Social Security data and IRS data, and the danger that that presented to the United States from a national security standpoint and to the privacy of U.S. Citizens. Can you talk about that, please?

Mr. SCHNEIER. I mean, it is really a matter of process. The goal might be a good idea, but the reason we have controls around this data, who can access under what rules in what configurations, are because it is so sensitive. You think about the different data enclaves, whether it is census or military data or OPM data about government employees or health data. This is very critical, and we, as citizens, give this data to the government for good reasons. And it is kept separate for good reasons, and it is kept secure. So, when we read about laptops of data being removed, data being given to Palantir to train models that they are going to use to sell back to us, the security is a real concern.

Mr. LYNCH. Madam Chair, I yield back. Thank you.

Ms. MACE. Thank you. I will now recognize Mr. Higgins for 5 minutes.

Mr. HIGGINS. Thank you, Madam Chair. Mr. Thierer, I am going to be talking with you mostly for the next 5 minutes because I would like to dig into the controversy regarding the moratorium section of the BBB legislation currently being considered by Congress. It is across the country, as part of the narrative of the discussion of AI, and I believe we have an opportunity today to clarify the intent and the specifics of that section of legislative language in BBB. So, in that topic, and please help me to understand, and, in doing so, help the Nation to understand, good sir.

My read of the actual bill states, to that section in particular going to the moratorium under the section of artificial intelligence and information technology modernization, it says in general, except as provided in paragraph 2, which is essentially an exception to the moratorium that it allows for sovereign states to enact and enforce laws that remove restrictions on use of AI. What the paragraph says in general, except as provided in Paragraph 2, no state or political subdivision thereof "may enforce" during the 10-year period, beginning on the date of enactment of this bill, any law or regulation of that state.

So, my read is that the state is not restricted from debating and considering, and voting on and passing, and using their legislative bicameral body in each sovereign state to debate and vote on and pass laws regarding AI. And for that Governor to sign that law, the Big Beautiful Bill in this section states that the Federal Government is asking for a pause on enforcement. Am I right or wrong, and please embellish.

Mr. THIERER. Yes. Thank you, Congressman for the question. So, I testified about this in front of the Energy and Commerce Committee just 2 weeks ago where there was a debate about the AI moratorium. And it is important to keep in mind that the reconciliation bill includes specific funding to modernize Department of Commerce technology systems, and there is a concern among Members about exactly how that can happen if there is a host of conflicting laws at the state level.

Mr. HIGGINS. Right, and the so-called moratorium is under that section.

Mr. THIERER. That is correct.

Mr. HIGGINS. Please continue.

Mr. THIERER. And so, therefore, that would prohibit certain AI-specific types of regulations at the state and local level again——

Mr. HIGGINS. It would prohibit the enforcement of state-authored regulations.

Mr. THIERER. That are AI-specific regulations. It very specifically says that laws of general applicability are not to be covered by this, also criminal activity not covered. And so, there are some important exceptions to this, and states are going to be free to continue to act on a lot of these different things.

Mr. HIGGINS. In the interest of time, just to clarify for the country, sir, this moratorium does not restrict a sovereign state's right to debate, vote on, and enact new AI legislation within that state. The moratorium is asking the states to recognize that AI, by nature, is interstate commerce, and under this section for modernization of the Commerce Department of the reconciliation bill, we are stating that the states should refrain from enforcement of new AI laws. Is that correct?

Mr. THIERER. Yes, Congressman, and specifically, what you said about protection of the interstate, the national marketplace, is really crucial, and it reflects the broader consensus of Congress going back over the last 30 years about the internet and technology more broadly, that there does need to be somewhat of a national framework and make sure that we do not have a parochial patchwork that will interfere with the free flow of algorithmic commerce and speech.

Ms. MACE. Six seconds.

Mr. HIGGINS. OK. That was a squared-away explanation. I thank the gentleman. Madam Chair, I yield.

Ms. MACE. Thank you, Mr. Higgins. I will now recognize Ms. Norton for 5 minutes.

Ms. NORTON. Thank you, Madam Chair. Government must leverage the best technology possible to meet the ever-changing needs of the people it serves. From the creation of the national Postal Service, to the discoveries that led to the internet, the Federal Government has a long history of embracing new technology to better deliver for our constituents. But our North Star must always be service to the American people, not tax breaks for billionaires or back-room deals to benefit the richest man in the world at public expense. As we discuss the use of artificial intelligence in government, we must have people at the center of the conversation, including the people we represent and Federal workers who serve our country. AI is a tool that can empower our public servants, but it is not a substitute for passionate and committed Federal workers.

Ms. Miller, can AI alone replace Federal workers?

Ms. MILLER. Absolutely not, no. The implementation of AI, it is very important when we think about building AI tools, that we are building them with the people that we will use them. AI is talked about a lot as something that is going to replace people. I am a strong advocate in using AI to automate routine processes and repeatable processes and free up people to do more high-level, high-

skilled work. And so, I absolutely do not believe that AI should be doing the work of the public servants. I believe that AI should augment that work and that we should work with public servants as we put in place AI tools.

Ms. NORTON. Thank you. Elon Musk and the Department of Government Efficiency has gutted so much of the Federal workforce, firing tens of thousands of people under the guise of greater efficiency, but Americans know better. They see the negative impacts every day. As a direct result of the interference with Social Security Administration, senior citizens now face 98-minute wait times to speak with customer service, crowded lobbies at field offices, and being turned away from scheduled appointments because the Agency simply does not have enough employees for its mission. Poor customer service is not efficiency. It is failing to uphold the government's responsibility to our constituents. Now the Social Security Administration wants to cut an additional 7,000 employees and somehow use AI to handle calls from seniors. That does not work because I know that when my constituents have a problem with Social Security, they would rather talk to a person than a computer program.

The Department of Government Efficiency cuts are wreaking havoc on our communities, and it will take years to clean up the mess Elon Musk has left behind. Thank you, and I yield back.

Ms. MACE. Thank you. I will now recognize Ms. Foxx for 5 minutes.

Ms. FOXX. Thank you very much, Madam Chairman, and thanks to our witnesses for being here. Mr. Thierer, the Trump Administration has expressed a goal for the United States to maintain its dominance in AI. Why is it important for the United States to maintain its dominance position in AI?

Mr. THIERER. Thank you for the question, Congresswoman. As you have heard here today from several witnesses, we are in a serious race with China and the Chinese Communist Party for AI supremacy globally. And the broad-based ramifications of who wins that race are significant for not just our geopolitical security, but also our values broadly as a Nation and for the world. And so, there is a real danger that if we do not get AI policy right as a Nation, that China will take the lead. Its products will diffuse throughout the world faster, and we are already seeing this. I was testifying earlier this year at a hearing on the so-called DeepSeek moment, and it surprised a lot of us, including me, how advanced these Chinese systems are today and how effective they have been at filling gaps globally that America is not there to fill at the moment.

Ms. FOXX. Thanks. I do think the answer is pretty obvious, but it was important to get something on the record.

Mr. THIERER. Sure.

Ms. FOXX. How has the Trump's Administration approach to AI differed from the previous Biden Administration's, and why is the departure from the Biden Administration's AI policy necessary, Mr. Thierer?

Mr. THIERER. Well, the Biden Administration approach was very voluminous in terms of rulemaking, obviously, executive order, longest in American history on AI, over 110 pages. And a lot of it

was very fear based, unfortunately, and did not embrace the technology as much as the new Trump Administration executive order and subsequent orders have done. And so, I think there has been a real sea change of approach here in terms of understanding the benefits associated with AI technologies broadly.

Ms. FOXX. Thank you. Mr. Shah, your company has been successful at streamlining certain administrative tasks for businesses in the private sector and helping boost productivity. How do you see AI technologies like those developed by your company being effectively used in the Federal Government, and what kinds of productivity gains and cost savings could we expect to see?

Mr. SHAH. Thank you for the question. You know, to put it in maybe legislative terms, imagine you had an assistant that could summarize the status of a bill. Perhaps maybe look up a constituent problem that you have been tackling before a meeting or be able to search all of your notes and your memos about various Committee hearings and tasks that have been assigned. All these things are things that AI gives us today, and the private sector is using this quite aggressively to make their own teams more efficient and effective.

To your question about sort of what that looks like, you know, there are sort of three categories I like to think about. Scale. Broadcom, for example, was able to go from 10,000 employees to 50,000 while keeping the same support staff. So, that is another benefit, which is you can take the same team and allow them to support a lot more employees in this case, but in our case here today, talking about constituents. I think there are also employee time savings. The city of Glendale I mentioned did a 500-percent plus ROI on their investment, but that was 3,500 hours of savings from the employees themselves that they could apply and use toward other tasks and functions for their constituents. And then, of course, there are monetary savings, which is that if we can do some of this more efficiently, that goes back to the U.S. taxpayers. It goes back into the economy to get spent on further innovation.

Ms. FOXX. Thank you very much. Ms. Miller, according to the Office of Management and Budget, each year, taxpayers provide more than $1.2 trillion, or nearly 5 percent of GDP, in funding for thousands of programs across the entire government through grants and other financial assistance. With so much taxpayer money spent, it should come as no surprise that, besides a very high-level accounting, the Federal Government largely cannot tell whether a particular grant award was used wisely or if it accomplished the stated goals of the grant program. This Committee has worked on legislation such as my bill from 2019, the GREAT Act, to address the problem, but as we have discovered, there is not enough data available in the proper formats to evaluate whether taxpayer funds given out as grants are being used wisely.

How could AI help us solve this problem and make sure that every taxpayer dollar given as a grant is used effectively and for its stated purpose?

Ms. MILLER. Thanks for the question. Actually, we did something pretty innovative with my technology company, TrackLight. We were trying to figure out who one of the agencies that we were working with paid, and so we got access to minutes of board meet-

ings, and then we used AI to scrape those minutes and identify vendors. And then we were able to collect hundreds of vendors that this agency was paying that they did not know they were paying. Now, we can all talk about how insane it is that the agency does not know who they are paying, which is a serious problem. But there are ways that AI can help solve this problem and start to, sort of, piece together who these grants are going to, and it is incredibly important for taxpayers to know that information.

Ms. FOXX. It would be nice if we could just search things on fireside. Thank you.

Ms. MILLER. Yes.

Ms. MACE. Yes. All right. Thank you, and I will now recognize Mr. Mfume for 5 minutes.

Mr. MFUME. Madam Chairwoman, thank you very much. My thanks to the guests who have come today. One of the things that strikes me about this hearing is that we do not have enough time, and we are all trying to get a lot in here. So, I will certainly use the right that Members have to submit questions for the record for 5 business days because there are a number of you. Mr. Shah, in particular, I want to ask some questions of you through that process, and, Mr. Schneier, your testimony was chilling to say the very least. So, hopefully, we can talk about that, but, Ms. Miller, I would like to start with you.

Much of your work focuses on fraud prevention, and before we get to that, I would like to go back to something that I heard that was just as chilling, and that was your description of these outdated privacy laws, which do not afford any protection whatsoever to what is happening now in 2025 at the rapid pace of this technology and its development. It is very scary to believe and to hear, quite frankly, that we are behind in that because the privacy of Americans is absolutely important. It is just as important as what Ms. Norton brought up earlier, and that is the fact that people who are looking for Social Security or trying to get Medicaid or trying to figure out SNAP benefits are running into this technology and being run over by it in many instances. So, can we talk just a minute about these privacy laws, which I assume they predate all of this discussion, and that there is, as I understand, not a real determined effort to upgrade them to be able to protect industry, and to be able to protect government and individuals?

Ms. MILLER. Yes. Thank you, Congressman. The Privacy Act was passed in 1972, which was 52 years ago, almost 53. That is still the law that governs how we protect privacy today, which obviously is exceptionally outdated. In my opinion, there is not a lot that can be done through the legal system to protect Americans' personally identifiable information anymore. I think we just live in an entirely new world now, and foreign adversarial nation-state actors, criminal rings, all of our data has been monetized, is being monetized today. Ninety-six percent of information that is stolen through a data breach is used to monetize by a threat actor.

And so, because we have such an asymmetric situation when it comes to data, government is going to have to get much better about using technology to protect privacy. And there are technologies that are in place, I am sure, that some of the panelists here today are using in the private sector. We can anonymize data.

And so, we can do things that can protect people's privacies, and we are going to need to think about this both from a legislative perspective, not hamstringing agencies. The Privacy Act and the Computer Matching Act keep agencies from being able to share data that they desperately need to be able to find these actors, and, again, these actors are foreign adversarial actors.

Mr. MFUME. Thank you very, very much. Mr. Schneier, let us go back to your assessment of the bigger you are, the bigger target you are, the more data is collected on you, and the more harm that will come to you, your community, your agency, your government in this instance. Walk me briefly down that street again because you did not go into the fact that this is not science fiction. This is happening every day, and it is happening to the United States of America.

Mr. SCHNEIER. I mentioned China, the OPM breach from the last decade where China went into OPM and took the data, among other things, all of the clearance forms of United States citizens, and you can imagine why they might do that, and why they might identify who spies are, might look for people they can influence, and that is the sort of thing that countries are doing today. I mean, I am assuming we are doing it to them, and so this data is very valuable at the government level for a lot of different things.

I mentioned two scenarios. I mentioned a potential war scenario, potential peace scenario, and a lot of—our data is being collected everywhere. And so, I mean, a lot of data is had by social media companies that know a lot about what we like, and who we are and who our friends are, and who is important to us, but the data we give governments is a different sort of data If you think about the data that is on the tax return or the data that the Census Bureau collects, or the military data, that is personal on a different level, and countries want that. They are going to want that in aggregate to figure out things about us, and they are going to want it individually. And coercion means—lot of it depends on who you are, what coercion means.

Mr. MFUME. Thank you. My time has expired. Madam Chair, thank you very much.

Ms. MACE. Thank you. I will now recognize Mr. Sessions for 5 minutes.

Mr. SESSIONS. Madam Chair, thank you very much, and good morning to each of the panel members. We appreciate you being here.

Long time ago, I spent time at Bell Labs where we were responsible for the network architecture but also the development of the switch that would be utilized. We set standards and did things to where we had unified way to look at how switch operated. We both know we had Salt and Volt Typhoon whereby our government people learned that the Chinese had been into, through cyber, our data bases for a long time. Should have found it. Did not find it. It cost us. My question really is, and I am sure every one of you have an answer for this or at least your vision of that. All it takes is one node to be compromised. It is like a big fence that goes around. It just takes one loose place.

Does the Federal Government, do we here in Congress need to ask someone? Do we need to deal with other countries, that there

need to be a standards body that specifically, like when I worked at the Labs, to set what those standards are? How do we avoid, with all the things we are doing, getting something that happens like that again? Sir, evidently you have got your hand on the panel first. Any ideas of that?

Mr. SCHNEIER. I did not know this was *Jeopardy*, that you got to be quick.

Mr. SESSIONS. Well, OK. Then we would go to you last if you want.

Mr. SCHNEIER. No——

Mr. SESSIONS. But my point is, do you have any ideas on these question?

Mr. SCHNEIER. So, we have things. I mean, this is the job of the NSA, right? We have security organizations in the United States whose job is to protect American data, and I think we do actually do a pretty good job. And we have problems that a lot of data is in private hands, that, you know, right now, if you think about just the Defense Department, there are thousands of networks, but there are rules, and, you know, I think we are doing OK. I do not think we need an international standard. I mean, this is very much United States. I mean, NATO does things together, so there are groups, but this is not like a corporate security thing where you need an international standard. Everyone is consistent. The U.S. has U.S. problems, U.S. adversaries, and we do have U.S. solutions.

Mr. SESSIONS. We also have battleships and aircraft carriers that are out in the middle of places. Anyone else? Thank you, sir. Mr. Shah?

Mr. SHAH. Yes. I think, you know, what we have seen, especially in cybersecurity, the NIST has created standards there that became adopted by a majority of the industry. And I think when it comes to AI and protecting data, coming from the lens of a startup, from a young company, we have looked at the new standards that they have around AI and they are actually pretty good, and they do provide for a lot of recommendations that we actually follow. And then furthermore, you know, going through the FedRAMP process, while I found it to be very expensive, there was a lot of amazing sort of things that they recommended in terms of infrastructure, software, process, and procedures that allow us to really make sure that the data is secured. And so, I think that if we can have more of these types of frameworks, more of a lighter touch, it will allow us to continue to innovate fast but still give us all a true north of where we should take things in terms of our infrastructure and our processes.

Mr. SESSIONS. Sir?

Mr. BAJRAKTARI. Sir, I would say three things. No. 1, just to follow on Mr. Shah's point, I think NIST is well positioned for this. I think the re-missioning of the Safety Institute by the Department of Commerce 2 days ago, that will focus on really building the standards across our Federal Government and how they use AI, is a step forward. Also, looking at, you know, open-source models coming from countries of concern, specifically China, and what kind of a risk they possess in our ecosystem, I think that is the right step to do it. At the allies and partners levels, as I mentioned in

my opening remarks, The Five Eye Alliance really provides us with a stepping stone of, you know, coming with some common standards among our five ally partners and then start bringing other countries under the fold. And the third piece, as Mr. Schneier mentioned here earlier, what can we do on the offensive side so our adversary does not get a hold of our data, they do not use it against us, and then actually we put them on the back foot instead of letting them, you know, really attack us on a daily and hourly basis.

Mr. SESSIONS. Good. Anyone else?

Mr. THIERER. Just very briefly. Sir, I just want to put in a good word for what the Trump Administration has been doing with its recent executive orders and OMB guidance on this front, which has been to provide not only a framework for expanding the use of AI throughout government, but also getting more serious about security vulnerabilities and other types of concerns, and recent OMB guidances like M–25–21 and 22, basically try to address these concerns you are raising.

Mr. SESSIONS. Great. Thank you. I appreciate the panel very much. Madam Chair, I yield back.

Ms. MACE. Thank you. I will now recognize Ms. Brown for 5 minutes.

Ms. BROWN. Thank you, Madam Chair. I am glad this Committee is finally turning its attention to the Federal Government's use of artificial intelligence because under President Trump, AI is not being used to serve the people. It is being abused to serve the powerful. DOGE was a reckless, unregulated, and unethical failure, and I would not be surprised if some of my colleagues on the other side quietly agree now that Elon Musk is out here trashing their one big ugly bill.

So, let us be clear about how we got here. Musk and his cronies were handed the keys to our government's data, let loose to sidestep security safeguards, strip away Federal jobs, and exploit Americans' personal information unchecked and unaccountable. They used AI as a blunt force tool to slash thousands of Federal jobs and gut billions in government spending with no transparency or regard for the human cost, but that is not even the most dangerous part. DOGE has launched an unprecedented power grab over Americans' personal data. Earlier this year, reports surfaced that a DOGE staffer, with no credentials and no clearance, reportedly accessed Americans' personal information and shared private data with third parties. I co-led a letter with Reps Trahan and DelBene demanding an investigation, and it might not come as a surprise that we are still waiting for answers.

And we now know this was not a one-off. Whistleblowers have revealed that DOGE is actively building a master data base, a centralized system combining sensitive data from across Federal and state agencies that includes Americans' medical records, their credit card numbers, their medical claims, their student debts, and much, much more. To build it, the Administration has turned to Palantir, the surveillance firm funded and founded by Republican MAGA donor, Peter Thiel, and this massive trove of personal information is being built with no oversight, no security guarantees, and no guardrails.

Here is why every Americans should be alarmed. In the wrong hands, this data base could be weaponized to target political enemies, suppress dissent, or surveil the public, and even in the best-case scenario, a breach could expose millions to identity theft, blackmail or worse. What is most disturbing is how much we still do not know, but what we do know raises serious concerns about violations of the Privacy Act, FISMA, and E-Government Act. This Committee must keep investigating because we cannot allow AI to become a weapon for surveillance, exploitation, and the dismantling of public institutions.

So, Mr. Schneier, how should Americans feel knowing that DOGE is pulling together their most sensitive personal data to train AI without clear safeguards, oversight, or consent, and what protections are in place to keep that data from being misused or exposed?

Mr. SCHNEIER. Well, we do have a lot of laws in place. We have laws protecting the data. We have laws prescribing how it is used, how it is shared, and that is what is being bypassed. So, it really is more a matter of enforcing the laws we have on the books than writing new laws. I do not think we have a need to do anything because of AI because these problems with data sharing/security risks have been with us for decades. And we do have laws, we do have rules, and they are being bypassed.

Ms. BROWN. So, let me ask you this. Given DOGE's reported practice of bypassing security protocols and exporting sensitive data to less secure environments, how serious is the national security risk, and are we making it easier for foreign adversary hackers to access government systems and Americans' personal information?

Mr. SCHNEIER. I mean, we are. We knew from the first weeks that some things DOGE was doing was bypassing security protocols and removing audit trails. I mean, basically eliminating the security mechanisms we have in place to protect the data. We had one example of a Russian actor going in after a DOGE employee using their credentials, and that is the one we know about. These countries are not stupid. They know how to do espionage. They have been doing it for decades. And so, I think what I said in my remarks, we have to assume that all of this data has been exfiltrated by our enemies. I would be very concerned. Now, it depends on who you are, the more powerful you are, the more concerned you are because more leverage can be leveraged against you.

Ms. BROWN. Thank you. Let me be clear. Artificial intelligence and other emerging technologies can offer real benefits but only when developed responsibly and with clear guardrails that protect the American people. So, I stand ready to work with my colleagues on the other side of the aisle who are serious about securing our Nation's cybersecurity, safely deploying AI within the Federal Government, and ensuring that Americans' data remains safe. And with that, Madam Chairwoman, I yield back.

Ms. MACE. Thank you. I will now recognize Mr. Biggs for 5 minutes.

Mr. BIGGS. Thank you, Madam Chair. Thank the panelists for being here today.

Mr. Shah, in your written testimony, you describe how various communities, counties, cities, and two of them in Arizona—Scottsdale and Glendale—are actually using AI, perhaps becoming a hub of AI, anyway, using to become more efficient. Can you expand on that for us? Tell us what they are doing and the guidelines or guardrails that they have in place.

Mr. SHAH. Yes, it is a great question. So, you know, in terms of the cities and counties that have started to adopt this technology, they are using it to make their employees more effective. What does that mean? That means that they can self-serve a lot more use cases than they would have otherwise. They can find information. They can troubleshoot issues that they might be having with IT or even an H.R. situation or use case. They can submit performance reviews. They can do a variety of tasks that were otherwise very manual and very slow, and required a lot of coordination amongst folks.

And so, you know, as I was mentioning earlier, the city of Glendale in Arizona is saving their employees 3,500 hours now each month, being able to now do more with those same team members to support the employees or the constituents of their county. And so, I think that we see this across the private sector. We have seen people use this technology to enable more employees to do greater levels of work and greater levels of output, while still sort of maintaining all the privacy and the security that is required in any of those environments.

Mr. BIGGS. Thanks for that. Now, Mr. Schneier was talking about the laws that have been placed to protect privacy rights, and they have been in place for a long time, largely ignored from both parties, quite frankly, in my opinion. But what I want to get to is something that Mr. Bajraktari said, when you start talking about The Five Eyes community. And I just came from another hearing where one of the issues that we are having is that, pursuant to the CLOUD Act, the U.K. is trying to get backdoor hacks into Apple, and they are claiming that they have some kind of robust privacy protection there. But the reality is they will not disclose what that robust privacy protection is, and they are keeping the entire process closed, obscured. And so, I am curious about how we can fully work with The Five Eyes community in the development of AI and yet protect the fundamental rights of American citizens, and so I am going to ask you that question.

Mr. BAJRAKTARI. Thank you, sir. Great question. We created The Five Eye community during the cold war because one of the ways we could share more and fast and be ahead of what Soviet Union was doing was, you know, being able to share with our allies and partners. I think there needs to be a starting point in how we confront China today. I do not think we can confront China alone without bringing, you know, our closest allies under the fold. The speed and scale of how China adopts and uses AI for national security purposes is really breathtaking. So, my point is, we should start with a community of the most trusted allies and partners that we have.

Mr. BIGGS. So, my question is, though, when you have, essentially, the abuse of rights that we are seeing through the abuse of

the CLOUD agreement between U.S. and U.K., can you fully trust The Five Eyes to work together on this? And that is——

Mr. BAJRAKTARI. Yes, I understand. I understand your concern, sir. I think we have to work really closely with them to remove obstacles because I think the challenge we face ahead of us is that, if we do not find a common language and build common security protocols, I think we would have a different world by the end of this decade, you know, a world in which CCP will probably have access to all our data. The entire global infrastructure will depend on the CCP and the companies subsidized by Chinese, so we have to find ways to remove these obstacles with our closest allies.

Mr. BIGGS. I do not disagree with that. It is just, we need to make changes right now, and we are not making changes fast enough, and we are not implementing anything fast enough.

So, I am going to ask unanimous consent to enter into the record the bill text from a new Arizona law passed earlier this month to close dangerous loophole that allowed these predators to use AI and digital editing tools to create child sexual abuse material that appears real, but depicts no actual child. It was HB–2678. It is sponsored by House Republican Majority Whip, Julie Willoughby, and it updates state law to ensure AI-generated and digitally altered images that are indistinguishable from real minors carry the same criminal penalties as those involving actual children. I would like to submit for the record.

Ms. MACE. No objection.

Mr. BIGGS. I also ask for unanimous consent to enter into the record an article discussing how my home state of Arizona is taking steps to allow AI to flourish, showcasing that states can handle AI regulation responsibly and reap the economic benefits.

Ms. MACE. No objection.

Mr. BIGGS. Thank you.

Ms. MACE. All right. I will now recognize Ms. Stansbury for 5 minutes.

Ms. STANSBURY. All right. Good morning, everyone. Thank you so much for being here, and I want to say thank you to the entire panel for your recommendations this morning. My background is actually in the sciences. I have actually worked on natural and earth sciences most of my career, including on Big Data and modeling, so I do appreciate much of what the recommendations are that have come from our experts.

But I am especially grateful that you are here, Mr. Thierer, because when the huge abomination of a bill, I will call it, came down the pike, my eye actually caught this specific language and funding appropriation in the bill that you referenced in your testimony. And I think many of us were confused about where it came from, what its intent is, and this is the first time I have had the opportunity to actually ask some questions, so I am glad you are here. And as I understand it from my look into your background, that you have actually been directly involved in developing this language and request. Is that correct?

Mr. THIERER. Not that language. I have written about moratoria in the past, though, going back to the 1990s when I worked with Congress on the Internet Tax Freedom Act.

Ms. STANSBURY. Got it. OK. So, you mentioned that part of why this deregulation language is in here that would preempt state and local laws regarding the regulation of AI systems is, in part, because of this $500 million request that is in the bill. Can you help us understand what would that $500 million be used to do specifically?

Mr. THIERER. Going back to the Bipartisan House AI Task Force report from last December, there was a major section that led off the report about the need for government modernization of IT.

Ms. STANSBURY. Just some specifics.

Mr. THIERER. So, specifically, at the Department of Commerce, there is a need to actually improve how various programs function there, including new ones that have just been created.

Ms. STANSBURY. Just some specifics, like, what kind of systems would be built with this $500 million?

Mr. THIERER. Well, I do not know exactly. I do not know the answer to that, Congresswoman. I am sorry, I do not know specifically what Commerce will use that money for going forward.

Ms. STANSBURY. Do you know where this request came from?

Mr. THIERER. You would have to ask the House Energy and Commerce Committee specifically who put that language forward in the——

Ms. STANSBURY. Do you know what companies would benefit from this language?

Mr. THIERER. No, but I do know that there is a broad need for many different types of vendors and services to be utilized by the Federal Government, not just——

Ms. STANSBURY. So, this would likely go to private contracts, correct?

Mr. THIERER. It would go to many private contracts, certainly.

Ms. STANSBURY. Yes. OK.

Mr. THIERER. Yes.

Ms. STANSBURY. And so, and some of the leading contractors who do work in this area that already have government contracts are companies like Palantir, correct?

Mr. THIERER. I believe that is one of many, but there are many other vendors of IT services and AI.

Ms. STANSBURY. So, correct, yes. And I heard you argue just a few moments ago when Mr. Higgins was asking you about this preemption language, that it was needed because there would be integration of data from state and local entities. And it is my understanding—I think others have kind of alluded to this—that right now, the Trump Administration is working on creating some sort of master data base that brings together data from multiple different sources across state lines. And in fact, there was a request that went out to the states asking for data about SNAP beneficiaries because my understanding is Homeland Security is interested in integrating data for immigration enforcement purposes. So, they would like to integrate data using the census data that they hacked in, exfiltrated, and downloaded. They would like to integrate data with the immigration data bases that they have, and now they are asking states to send data that falls under state jurisdiction to integrate for immigration enforcement.

And, you know, you can call it whatever you want. I have heard folks say this is not a master data base, but it absolutely is, and we know that the Trump Administration is trying to take American data and hire private companies like Palantir to create means to use American data for their own policy ends, including endangering the lives of Americans. So, I think that one of the reasons why folks are reacting so strongly to this language that is in this bill is because it is so extreme. And yesterday, I heard Marjorie Taylor Greene, I was standing on the Floor while she gave a speech on this very language that is in this bill that would literally say that states and localities cannot enforce their own data rules or AI. It preempts federalism. It preempts state law. It would prevent states from protecting their own citizens.

And you know, it is rare these days that we have bipartisan agreement, but I agree with literally everything that Marjorie Taylor Greene said on the Floor yesterday. This is dangerous. It could endanger American lives, and we cannot allow this language to get through. And with that, I yield back.

Ms. MACE. Thank you, and I will recognize Mr. Perry for 5 minutes.

Mr. PERRY. Thank you, Madam Chair, and, ladies and gentlemen, thanks for making the trip and being here. I am not sure what questions I have for you, but I do want to make everybody aware of some things that I am aware of. I am going to refer directly to an AI safety firm named Palisade Research, and another one named Apollo Research and talk about things like the fact that the Chinese Communist Party likes to pollute the, I do not know, the available information in the world with all kinds of things that support the Communist Party of China's view of the world, and not the free world's.

And with that having been said, I suspect that all of you are aware of the times that when various AI has been tested. I will give you a couple names—Codex-mini, OpenAI model o3, OpenAI model o4—and other ones, the AI has chosen, on occasion, to further its goals, as opposed to the goals of the people that wrote the code. And on occasion, how about the instance where Anthropic's Claude 4 model attempted to blackmail the people it believed were trying to shut it down, and then it would ignore and other ones would ignore shutdown commands, even when told in advance that shut down commands were coming, and went as far as to rewrite itself and preserve itself on a different server to avoid the commands of the humans in charge of it. Now, that might seem like the view of a Luddite, but, I mean, I have got pages and pages of AI deliberately disabling various developer-installed oversight mechanisms, shutdown commands being ignored, replicating itself, preserving itself without the user even knowing.

Now, let me be clear. I think that the United States of America has to win the race and be preeminent in AI, but I also think, while I sit on the Oversight Committee, that knowing these things are occurring during tests, that us encouraging, as a committee or as a Congress, the use of these systems in places like nuclear security or national security without having these pretty obvious things worked out is dangerous, like, at a minimum. I cannot even believe we are having the conversation. Like, how in the hell are we in

here telling everybody that we have got to incorporate this into the Federal Government, state government, all levels of government, including, like, National Defense, nuclear security, when we know these things are occurring?

And I do not know which one of you to ask. You all seem to be all for AI, and I get it is your vocation, your passion, et cetera, but we got a duty here on this Committee and in this Congress to make sure that the right thing happens. And you know, humans, Americans, are supposed to be in charge of the government, not some machine that learned from another machine that picked up data that was polluted with Chinese propaganda and is going to, like, push the button for us. Ms. Miller, you seem interested. I got a minute.

Ms. MILLER. Yes.

Mr. PERRY. What do you got?

Ms. MILLER. Well, this is a real concern, and GAO and other standard-setting entities have been really pushing for responsible AI frameworks. And this is one of those reasons why, when we talk about AI, you can get a bunch of people in a room that are like, go, go, go, lean in, you know, do more adoption faster, faster. But it is so important to think about these safeguards and how important they are. Responsible AI is incredibly important when we are dealing with national security information and American citizens' information, things that could threaten the actual, you know, safety and security of American citizens. And so, it is incredibly important that we are slow and deliberate enough, and that is one of the reasons why GAO and others have put out these frameworks. And it is really important, I agree with you, as this Oversight Committee——

Mr. PERRY. So, are you saying that the frameworks deal adequately with these things, or what am I missing?

Ms. MILLER. Well, I am saying that if they are considered and carefully rolled out, then those concerns will be at least taken into consideration. I do think there is a lot of risk in AI, and we should, I agree with you, consider where we want to apply this and where we want to be——

Mr. PERRY. So, ma'am, I have a little bit of time left, and I just want to say this. I think, for me, it is beyond consideration. Like, before we hand this thing the nuclear codes, I do not want it to be considered. I want to know the damn stuff is right, not polluted with Chinese Communist facts or their alleged version of the facts and that the thing is not going to avoid the humans and avoid, you know, detection and all that stuff.

Madam Chair, I would like to enter into the record or request that be entered into the record, *Apollo Research's* report titled, "Frontier Models are Capable of In-Context Scheming," published on January 16, 2025, and I ask that actually——

Ms. MACE. No objection.

Mr. PERRY. Thank you. I yield.

Ms. MACE. Thank you. I will recognize Ms. Randall for 5 minutes.

Ms. RANDALL. Thank you, Madam Chair, and thank you to our witnesses today for being here, maybe longer than you even planned.

You know, Mr. Perry mentioned some of the important reasons that AI use in the Federal Government is responsible for the lives and livelihoods of so many more individuals than, you know, one of us asking ChatGPT a question, you know, for our own purposes. And we have seen some examples of potential Federal Government uses of AI that have gone wrong. Mr. Schneier, you know, Elon Musk and DOGE have tried to throw AI at problems throughout the government with no regard to Americans' privacy, safety, and security, no regard to the 27,000 Federal employees who I represent and do not seem to be able to parse the difference between gender research and specifying that female flies must be used in NIH research studies. Can you discuss why the need for some of those higher standards in, you know, a higher standard of AI use framework in situations like that, and what some of the pitfalls are of not providing a higher standard for AI use in government than the private industry?

Mr. SCHNEIER. I am not sure it is government versus private industry. I mean, we probably might expect the same standards as, like, banking or in university admissions, right? There are going to be these instances where the decisions made are important enough that we have rules and laws prescribing how they can be made, and it is really a matter of making sure the AI is suitable for the task, being able to audit what the AI is doing, correct for mistakes. You know, humans make mistakes all the time, and we as a society has had thousands of years dealing with human mistakes, from double entry bookkeeping to checklists of surgical equipment, make sure they are not left in bodies. We know when a human makes a mistake how to deal with it.

To the extent that AI makes human mistakes, we are covered, but AI makes different sorts of mistakes, so a lot of our systems for dealing with them just do not work. So, when I think about an AI being used as something important like a benefits administration, it is going to be how it is used. So, I am going to make this up. Like, we will have the AI do the work, but it is only allowed to say easy yeses. Cannot say no. Just say yes. Everything it does is reviewed, and all the noes, that anything that is hard, humans review. We can watch the AI get better or worse. We might give more responsibility, but again, with a lot of audit, it is really a matter of replacing versus augmenting.

And one of the early questions was about AI in procurement. So, I can think of two things where an AI is a negotiating assistant, assisting a human in negotiating. Walmart does this right now. Like, they use AIs because they have to buy a gazillion things, to help with that, but the humans are in charge, and also possibly using AI for auditing. There is a really interesting work done on using AI to figure out which slaughterhouses human ag inspectors should visit, right? There are a lot out there. We can pick at random, or we can have some algorithm. Again, the AI is not making the decision, the human is, so really is really thinking very carefully about how the AI and human work together where we can get the benefits of the AI without losing control. I mean, Mr. Perry talked about that is really important, but still getting the benefits of the speed or the scale that AI provides.

Ms. RANDALL. Thank you. You know, I think that that is a key difference that many of my neighbors and constituents are talking about, use technological tools for more information, for data gathering, for the ability to distill things, but when we are talking about, say, the life and death of individuals who depend on NIH-funded research or, you know, decisions that have to do with termination of individuals because maybe they wrote an email that says a word that people do not like in it, you know, this becomes really dangerous and has real human impact. So, putting in safeguards so that DOGE does not continue to make mistakes that are unable to be quickly corrected and that have real long-term impacts, I think, is very important for us as an Oversight Committee to keep on top of. Thank you, Madam Chair.

Ms. MACE. Thank you, and I will recognize Mr. Burlison for 5 minutes.

Mr. BURLISON. Thank you, Madam Chair, for holding this very critical hearing on the Federal Government in the age of artificial intelligence. As we explore the AI's ability to transform this economy and the potential that it has to enhance Federal program efficiency, combat fraud, and deliver better services to the American people, we must address a fundamental challenge to this, and that is our Federal procurement system.

Our current system is riddled with barriers, lengthy certification processes, complex reseller networks, and multiyear contract vehicles that prevent agencies from accessing innovations or AI solutions, particularly from smaller companies. This procurement challenge not only hinders efficiency, but also threatens America's global leadership in AI.

In the last Congress, the 118th Congress, my bill, the FIT Procurement Act, was reported favorably out of this Committee and then successfully passed to the House with bipartisan support last year. I will be introducing the FIT Procurement Act again shortly, but let me point out that my bill directly tackles our outdated Federal procurement system. This act streamlines Federal acquisition to empower agencies to further acquire cutting-edge commercial technologies like AI. It does this by simply raising the simplified acquisition threshold from $250,000 to $500,000, increasing the micro purchase threshold from $10k to $25k, and allowing advanced payments for subscription-based software, which is what we see so readily today that the Federal Government is not able to take advantage of. With unanimous bipartisan support in the last Congress, this act is a proven commonsense reform to modernize government save taxpayer dollars and reposition the United States as a continued leader in the AI-driven future, and I look forward to hearing from our witnesses about that. So, let me get begin.

Ms. Miller, in your testimony you discuss why agencies should buy commercial technology rather than build custom code. As someone who was an in-house custom coder, I could not agree with you more. Could you follow up and elaborate on that?

Ms. MILLER. Yes, sure. Well, the point I was making in my testimony about that was that you create technical debt when you are creating your code yourself, and because AI is moving so quickly, frequently it will be obsolete soon after it is built, and so it makes sense to contract with vendors who have more updated tools. I

would just add that the bill that you are that you are referring to, given my own small companies' challenges, getting access to small pilot projects and proofs of concept, given those very low thresholds, this would be very beneficial to small innovative technology companies.

Mr. BURLISON. Thank you. I do not have to now ask my follow-up questions. Is it true that AI can be used to detect fraud in the grant process effectively?

Ms. MILLER. Yes, there are so many great use cases for AI in the fraud space when it comes to grants. We can scan through information using open-source intelligence. AI models, large language models can sort that information incredibly quickly, within seconds, and spot anomalies humans would not be able to spot. A lot of times what is happening today are grant processors are pulling up Google and opening up different screens and looking for things on different sites. Sometimes they have access to open-source intelligence tools, but they are still manually checking for that. AI makes that incredibly quick.

Mr. BURLISON. Thank you. Mr. Shah, you have highlighted the Federal Government's procurement problem in their process. Based on your direct experience, do you believe that changes to the procurement process, allowing agencies to pilot products like yours before going enterprise wide, would allow smaller companies like you to better compete for contracts?

Mr. SHAH. Yes, we believe that strongly. I think there are a variety of ways to do that: one, creating more POC-type programs. You know, a good example is the, I think it is called the investment horizon pilot program that the Office of the CIO of the Navy has implemented. But the challenge is, every agency seems to have their own set of ways that they procure new technology, so to the extent that we can help to normalize that will help us also navigate. You know, for example, through the FedRAMP process that I have described, of the $8.5 million, $600,000 I spent on consultants to help me figure out the process.

Mr. BURLISON. Just to get certified, the program.

Mr. SHAH. Yes. So, it is like, you know, I could have spent that on maybe more innovation or other areas. So, I think that if you have innovator programs or ways for us to start with other agencies that are less security-focused will give the help.

Mr. BURLISON. Is it safe to say the Federal Government is a pain-in-the-ass client?

Mr. SHAH. It is a complex web, and if you ever want to do a secret shopper with me 1 day and you can sort of watch how this plays out, I would be very happy to show you what it looks like.

Ms. MACE. Thank you.

Mr. BURLISON. I yield back.

Ms. MACE. All right. I will now recognize Mr. Garcia for 5 minutes.

Ms. GARCIA. Thank you, Madam Chairwoman. Thank you to our witnesses for being here today.

I want to just start by noting that we know that certainly AI can be an important tool for our Federal Government, for our Federal workforce, that we always want to make sure that we are centering those that are working in our government and uplift the work that

our Federal workers do every single day. But we know that AI can navigate and help government become more efficient and intuitive in many cases. I think we should be honest about that. It can also help constituents get services faster. I have seen this happen at the local level. I have seen it happen, of course, and then happening at the state level and here in Congress as well. We also know that many agencies just need to move more quickly, be more efficient, and AI can be a tool when you respect the Federal workforce and work with the Federal workforce on how we make these implementations happen. AI can also be used, of course, on issues around red tape. I saw this happen, seeing happening in cities across the United States, and we can analyze data better and faster. We can also work to empower Federal workforce in ways that they can use AI to help them do their jobs, and I think that is an important piece of this.

It is also clear, though, that AI can be incredibly dangerous, incredibly disruptive, and certainly without guardrails can cause real harm to the American public and to the work that we are all trying to do. Now, deployment, of course, it is going to take investments in work, but I do have some serious concerns about how AI is used, and it is particularly in this Administration. And I want to talk about one of them, which I think is actually really, really important. So, this, of course, is Robert Kennedy, Jr., someone who I consider to be an extreme anti-vaxxer. I believe for him to be a conspiracy theorist, and certainly has no business being the Secretary of Health and Human Services.

Now, take one step back. We just went through a pandemic where 1.3 million Americans lost their lives, where businesses were shut down across the country, where healthcare was brought to the forefront of the public consciousness. And we know how important getting real medical vaccine testing information is to the American public, and right now we are dealing with measles outbreaks in Texas and other places. Information needs to be peer reviewed, fact checked, and done in a way that is responsible. But here, of course we know that there was recently a Make America Healthy report that was put out by RFK, Jr. in HHS, and I am going to include in the article just this quote: "There were dozens of errors, including broken links, wrong issue numbers and missing or incorrect authors. Some studies were misstated to back up the report's conclusions, or, more damningly, did not exist at all. At least seven of the cited sources were entirely fictitious." What we do know from many folks that have read this report is it appears that AI played a role in developing a report about the public health of Americans. This is something that we should be incredibly concerned with.

And let us be clear. RFK, Jr. has a long history already of dangerous, unscientific beliefs. He said 5G and Wi-Fi cause brain damage. He said that you do not believe that HIV causes AIDS. He said that water can make you transgender. These are very concerning positions, and the fact that he puts out this report, and HHS, which has been long respected as an important Agency, puts out a report that is full of AI errors and AI-generated content should concern every Member of Congress on both sides of the aisle. This is incredibly devastating when you, on top of that, look at all the cuts that he is making to NIH and other health agencies across the

United States, and so this is, for me, very concerning, and it should be for all of us.

Professor Schneier, is it fair to say that these kind of errors in important government documents and health reports that could be due to AI are concerning to us, and we should be concerned about?

Mr. SCHNEIER. They are concerning, but put the blame where it belongs. Maybe the AI is not suitable for the task, or maybe the human who used the AI did not, like, check the work, and that would have been true if the human tasked an intern. I mean, so, it is really a matter of what is the process by which, whatever gives you your first draft, do you look at it and make sure it is correct? We see the same problem with attorneys submitting briefs into courts that have fake precedence. I mean, yes, the AI made the mistake, but it is the human who puts their name to it, who says this is correct. They are the ones responsible, and I teach this stuff. I tell my students to use AI, but you are responsible for plagiarism. You are responsible for accuracy.

Ms. GARCIA. I agree with you completely, and, sir, I also spent 10 years in the classroom teaching as well, and——

Mr. SCHNEIER. It is really weird now.

Ms. GARCIA. And so, same, and I think that the idea that we are now seeing so much AI-generated content produced in our universities is a different topic, but let me just conclude with this. I think your point is exactly right. AI can be a tool, but there has to be the human element. The workforce has to be a part of it. It has to be a responsible user of AI and so that we do not end up with medical reports that are false. And with that, I yield back. Thank you.

Ms. MACE. Thank you. I will now recognize Mr. Grothman for 5 minutes.

Mr. GROTHMAN. Thank you. I will start with Ms. Miller. In your testimony, you noted that the government loses more than a half a million dollars to fraud every year. Given that astonishing amount, what can the Federal Government learn from the private sector because we know the private sector would not put up with that, right?

Ms. MILLER. Yes, it is a half a trillion, and, yes, it is an astounding amount. What we can learn from the private sector is, and I frequently say this when people ask me this question. You know, a bank invests in fraud prevention technology because they know that they are going to save more money with that investment than they are going to spend on the tool. A private sector company would never spend money on something it was not going to have a better return on investment, but in the government, because fraud is deceptive and we do not see it, we do not invest in anything to try to stop it. And so, it is this sort of happy sort of story that agency leaders can tell them because if they do not go looking for fraud, they do not find it, and then they do not have to invest in technology to prevent it. And so, then you have GAO coming out and saying, hey, we are actually losing half a trillion a year or more—I believe it is more—to fraud, and the agencies are not being held accountable.

Mr. GROTHMAN. I will give you a kind of related question. Obviously, the answer is, you know, we are going to build more tech-

nology, and blah, blah, blah. We learned from DOGE a little bit about the work ethic of some of the Federal employees. As we spend more money somewhere to stop this fraud, do you think it should better be spent on hiring new government employees or maybe hiring out to somebody else who can try to detect this fraud?

Ms. MILLER. Well, I do not think that government employees themselves have the tools to be able to find this fraud, so whether you hired more government employees or whether you contracted it out, I still think that there is such a lack of focus on it. I do think that concerted investment, whether that is in people or technology or both, will be needed if we really want to move the needle on this.

Mr. GROTHMAN. OK. Do you feel, though, that the bulk of the work is going to have to be done by contracting out to somebody or other?

Ms. MILLER. Do I? Well, I mean, I think, generally speaking, the Federal workforce does not have the skill sets that they need to be able to find fraud, and we should be skilling them up or we should be contracting it out, yes.

Mr. GROTHMAN. OK. What is preventing the Federal Government from implementing similar AI practices that they have in the private sector?

Ms. MILLER. A willingness to pretend that it is not happening because agencies are more focused on getting money out the door, and that is the goal, get the money out the door quickly and then take a victory lap because you spent the money, and not recognizing that there are people getting that money who are, you know, foreign state actors and criminal rings. But again, because it is underground, because it is not seen, we do not talk about it. We talk about it in these hearings, but we rarely talk about it, and the public is not aware.

Mr. GROTHMAN. Yes, I guess part of the lesson should be, the less the government does, the better because they will always screw it up, right? That is what one of the lessons should be. Now we go to Mr. Thierer. On the first day of office, President Trump rescinded Biden's executive order on AI. Could you describe some of the damaging aspects of President Biden's executive order?

Mr. THIERER. Well, unfortunately, that executive order sought to do a lot of things that Congress should have been doing, Congressman, and really did not wait for Congress to take the lead on, on the questions of AI governance, more broadly. Some of the best practices that were there for agencies to follow, and some of the things that were recommended in terms of AI officers were fine. And Mr. President Trump has continued those practices in his executive order that replaced the Biden executive order. But I think, generally speaking, at a high level, I think the Biden Administration executive order was just very fear-based and treated AI as more like a curse to be avoided than an opportunity to be embraced.

Mr. GROTHMAN. OK. In your testimony, you cited a study that stated utilizing AI systems would allow the Federal Government to unleash a productivity windfall for the U.S. Government worth up to $532 billion annually; not $531 billion, not $533 billion—$532

billion. Can you describe what kind of productivity gains AI could unlock in the Federal Government and where the big savings are going to come?

Mr. THIERER. Yes, they are really twofold. As that report was noting, there are very specific types of targeted reform and oversight efforts that AI can help with to improve paperwork reduction, procedural issues, better administration of government. And then there are more broad-based productivity enhancements associated with AI itself and its use not only in the public but private sector that can, ultimately, benefit government administration.

Mr. GROTHMAN. Could you tell me which agencies you think would most benefit? I do not know how you came up with $532 billion, but is there any big agency? You grab $200 billion?

Mr. THIERER. Yes.

Mr. GROTHMAN. What are the big——

Mr. THIERER. Yes. Well, a lot of Federal agencies could benefit from more efficient operations. Obviously, Department of Defense is one of them, but right now, important things being done at State and DHS and others just approve paperwork on things like immigration issues or paperwork issues, FOIA requests and so on.

Mr. GROTHMAN. Thank you. Very helpful.

Ms. MACE. Thank you. I will now recognize Mr. Khanna for 5 minutes.

Mr. KHANNA. Thank you, Madam Chair. I appreciate the testimony. Mr. Shah, of course you have been such a successful entrepreneur and leader in Silicon Valley. I appreciate your being here, so I will ask my first question to you. How do you think AI can help, particularly government employees, do better and be more effective in their work?

Mr. SHAH. Yes, thank you. You know, the things that we are seeing in the private sector today with large organizations like Honeywell and like, you know, Northrop Grumman and the likes, they are benefiting from AI by making their employees be able to self-serve, get information that they are looking for and take actions across a variety of systems. You know, on any given day, an employee might have to swivel their chair 17 times to use different tools, and that becomes a very wasteful portion of their day, sometimes many hours. And so, to the extent that we can start to do that for Federal workers, for all folks who work for this government, I think we are going to see some benefits, benefits that will allow them to troubleshoot, to have better IT, benefits that will accrue to them from an H.R. perspective in terms of getting the information they need, making the changes, the benefit selections that go into that and also be able to work across different systems without having to be an expert.

I think one of the things that you all have pointed out, there are hundreds of enterprise systems inside the government, and you may only touch it once a year, twice a year. And so, if you can use AI as the overlay, kind of that front door, what you will see is your staff and all the members of the Federal Government be able to navigate these systems, which can be very complex, very easily using the most intuitive interface in the world, which is which is language and conversation. So, when it comes to that, you know, we have seen companies and our, sort of, world of private sector,

be able to reclaim—a top five pharmaceutical was able to reclaim 75,000 hours of employee productivity by deploying this kind of AI across 44 languages. We have had a Fortune 500 aerospace manufacturer reclaim 75 percent of its support budget to be able to bring in technologies and leverage. I think that you are going to see both happier employees and better outcomes while also making the government more efficient.

Mr. KHANNA. Appreciate that, and this is for anyone on the panel. How would you address people's concerns about AI displacing jobs, being something that will lead to layoffs or people not being able to work?

Mr. SCHNEIER. I am happy to start. I think it is going to happen, and it is not going to be the jobs as we think. It is going to be, like, low-level lawyers, and that is going to be hard, I mean, because when you think about it, a lot of these professions are apprentice professions, and where do the senior partners come from if low-level lawyers or low-level doctors are being replaced by AI. Something society has to think about, whether there will be new jobs. In all previous revolutions, there have been new jobs to replace old jobs. This might be different. That is why you see a lot of talk about AGI, sorry, about universal basic income, UBI. Like, is this going to be different where we need to figure out how to give people the ability to survive, and we do not know. We do not know a lot of these things. So, those are very real fears, and I think we as society should think about them before they happen. We are not good at that, but we should.

Mr. THIERER. Congressman, just briefly, I would just point out that there have been a lot of government reports on this issue and a lot of efforts about government retraining, and so on and so forth. It is very hard to have a crystal ball to predict the jobs and skills that are needed in the future, but I will just point out that just 10 years ago, everyone was predicting a whole bunch of jobs that would be dislocated. The most famous one, and No. 1, was going to be radiologists. And just a couple weeks ago, the *New York Times* ran a piece to basically say there are more radiologists than ever, and they are utilizing AI to improve their jobs and free up time to do better things. And that is the story of technological change in sector after sector, is that we sometimes do not understand how complex human machine interactions work and actually can change jobs for the better and improve the employment output over time.

Mr. KHANNA. I agree with being a technology optimist. I will say, though, that the unemployment rate for people between the ages of 21 and 29 these days with a college degree is 15 percent. And so, the challenge, I think, is, as Mr. Schneier pointed out, is how, especially at the entry level, for people particularly with college degrees, how are we going to create these jobs and how are they going to be able to use the tools of AI to be effective? But I appreciate all of your thinking on this and appreciate your being here for your testimony. Thank you.

Ms. MACE. Thank you. I will now recognize Mr. Donalds for 5 minutes.

Mr. DONALDS. Thank you, Madam Chair. I think it is actually a good jumping off point from my colleague's comments about poten-

tial concerns of displacement. I think that, you know, as we looked at the evolutions of our economy over the last 150 years, we have always hit these inflection points when there was a disruptive new technology or process for how large swaths of our economy operated, and there is always a concern about displacement. I think the difference now is that seeing the evolutions of AI, which, quite frankly, are just starting, and there are going to be things we are going to be talking about in a decade we would not even be thinking about today in his hearing.

I think it is more about making sure that kids going through the K–12 system primarily, but then also through higher education, are learning how to leverage AI and these tools to actually become far more productive, far more innovative, and then as a byproduct, having their labor be able to have a different set of value in the economy to come. And I think that it is an interesting thing, human beings and human psychology, we always try to find a way to have purpose regardless of whatever the dynamics are that are operating on the field of play of our economy. One of the largest data center operators in my home state of Florida, Equinix, was the first data center to partner with an SMR provider, Oklo. These nuclear, small, modular reactors can generate at least 500 megawatts of power to our energy grid and to power data centers.

Mr. BAJRAKTARI. I think I got that right. That is not right. Close. My apologies. Can you share some ideas on how Congress and the Trump Administration can accelerate the safe deployment of clean, advanced nuclear energy and AI data centers to support our growing energy and computing demands?

Mr. BAJRAKTARI. Thank you so much for your question. I think in the last couple of months, we have seen a really clear linkage between, you know, advancing AI and AI models and reliance on new modes of energy. I think my organization really is focused on the development of fusion energy, for example, because I think one of the pathways that now is showing real great success in our country is the emergence of private sector companies that are showing incredible successful models of how to get to fusion energy. We also have the national labs that have made major breakthroughs. You know, the Lawrence Livermore National Ignition Facility in 2022 have made the first fusion breakthrough. So, I think, in particular to your question, fusion is one of the pathways that I think can enable the energy demand that we will face going forward when it comes to AI models, but that is not going to be enough alone. So, I think we should pursue multiple pathways because we want to be energy independent and we want to have the best models available to the world.

Mr. DONALDS. Mr. Thierer? Thierer? Thierer? I am not having a good day. Mr. Thierer, with the establishment of the special advisor for AI and crypto, what are some of the recommendations or priorities related to artificial intelligence that you would like to see them pursue?

Mr. THIERER. Well, one of them is what you just asked about, Congressman, which is making sure that America has energy independence and a greater diversity of energy sources to power the algorithmic revolution, and this is something the Trump Administration has taken steps to address with executive orders and other

things like that. That is crucial. Obviously, a crucial part will also be the development of a national framework for artificial intelligence policy, just as we had for the internet before. We need to address this conflicting patchwork of policies that is developing. That is something the Administration and this Congress is obviously concerned with. And then there are a variety of other things having to do with national security matters and other investments in various types of algorithmic and robotic systems that are really, really crucial, among many, many other things that Congress and Administration are trying to do.

Mr. DONALDS. Last point, I will just throw this out to the panel. I was sitting with my colleague, Mr. Perry. We were just kind of theorizing about what type of advantages AI advancements as well as, you know, I guess you could say quantum computing, what that could actually do to modernize and streamline governmental operations, not just Federal, but state and local. Just in your own expert opinions, what do you think the possibilities are in terms of how it would essentially help to redesign, streamline, and bring greater amounts of efficiency into the Federal Government? Like, where do you think is a good place to start, I guess I would say.

Mr. SHAH. Yes, I would say that, you know, if you think about this new technology of Agentic AI, it allows for a new kind of automation. We have been building automation for several decades, but a lot of it was very brittle, and if something slightly changed under the hood, all of a sudden, you know, that automation would no longer work. With Agentic AI, you can actually overcome a lot of that by having these very, you know, smart, intelligent reasoners and systems that can then go and do the levels of automation that we have not been able to do before. And I think what that is going to do is really elevate all of us to be able to work on less mundane things and more sort of advanced thinking and creative ideas.

Mr. DONALDS. All right. I am out of time, everybody. Thanks so much. I yield back.

Ms. MACE. Thank you. I will now recognize Ms. Crockett for 5 minutes.

Ms. CROCKETT. Thank you so much, Madam Chair. You know it is interesting because I do not know what all was taking place thus far in this hearing, but I do recall when I left, we were talking about Elon, and so I want to make sure that we do not forget him. I know that some people want us to forget Elon and act like he never existed, but we are not going to do that.

We are talking about AI today, and I can tell you what real people in my district care about. I had a few town halls and I talked to some seniors, and they were concerned about their data and their information, and how it was being used. And they wanted me to answer questions that I just did not have the answers to about what has Elon done with their tax information, their Social Security information, their health information, banking information, information about their credit histories. And instead of demanding answers, Republicans just blocked our motion to subpoena him to testify before this Committee. And I would ask at this point for unanimous consent to enter into the record a picture of who all was in the room when we took the vote, Madam Chair.

Ms. MACE. No objection.

Ms. CROCKETT. As well as since our clerk was ready and she knew who was in the room, the actual record of who was in the room at that time.

Ms. MACE. No objection.

Ms. CROCKETT. Thank you so much. Five months into the 119th Congress, and no one from the Administration or DOGE has appeared before this Committee to explain why they are invading the privacy of Americans. And the irony of it all is during a 2023 hearing, I remember Chairman Comer stating that, "We have witnessed Big Tech autocrats wield their unchecked power to promote their preferred political opinions," and now he and Committee Republicans are here helping the world's richest man to do just that. They are letting him spy on companies competing for government grants, but worse, they are letting him spy on you, the American people.

Look, we can all agree that incorporating emerging technologies like artificial intelligence into government operations can be effective. However, these technologies should not be used to weaponize the government against the public. So, I am going to ask Mr. Schneier really quickly. Is it true that when it comes to any technologies, AI or otherwise, that they can be a double-edged sword?

Mr. SCHNEIER. I think of technology as power, and the more the technology enhances your power, and whether your power is for good or for bad, depends on you, depends on how you are perceived. So, yes, technology has affordances. You know, we know that modern technologies have kind of built for surveillance, make surveillance easy. I mean, this is the most complex, effective surveillance device we have ever invented, and we all willingly put it in our pockets every morning. So, yes, technologies can be used for both good and evil, but think of the people behind it as the wielders.

Ms. CROCKETT. As the wielders. Yes, I absolutely agree, and I appreciate your answer. That is my concern. My concern is that these technologies will be used to weaponize the government against the public because everything that we have seen out of this particular Administration has been nothing short but weaponization. So, let us talk about some of the things that this Administration is doing.

They have announced they are going to use AI to scan the social media accounts of students who disagree with their policies. They have threatened nonprofits and universities—they are threatening their tax-exempt status. They have threatened journalists for reporting stories that are critical of the President. They are literally in court arguing to end birthright citizenship. And a lot of you all think only immigrants are going to be affected by this, but this Administration has already deported American citizens. In fact, in an interview with *Time Magazine*, Trump said, "I would love to do that. We are looking into it."

Madam Chair, I would ask unanimous consent to enter into the record an article published by *ABC News* titled, "Trump Wants to Send U.S. Citizens to Foreign Prisons, Legal Experts Say."

Ms. MACE. No objection.

Ms. CROCKETT. Thank you. It will not be long before more Americans are targets of this Administration. This Administration has refused to follow the law, and the Republicans are failing to do actual oversight. We do not know what they are going to do with

their health records and Social Security information. In fact, we do not know what they are doing. I do not think anybody does, except we know that they are breaking the law. And it is frustrating to me because I am somebody that actually believes in science. I believe that we should be investing in our young people. I believe that we should not be taking research dollars away. I believe that we should be trying to come up with new technologies and that we should be leading the world. But unfortunately, I cannot trust these guys to do good things because, as it has already been said by Mr. Schneider, it is about who it is that is on the side that is asking for this to be done. And frankly, this feels like some bad movie that we are all in and that the villains are doing bad. So, with that, I will yield.

Ms. MACE. Thank you. I will now recognize Mr. Burchett for 5 minutes.

Mr. BURCHETT. Thank you, Chairlady. As the 435th most powerful Member of Congress, I have the honor of asking questions that have been asked ad nauseam. But when I ask them, answer as if this was the first time you said, and the proper response is, "Congressman Burchett, that is possibly the most incredibly intelligent question that has been asked of me," so at least my clips will show that and the 12 people that are watching this thing are at home. They are probably not in my district anyway. They are probably in Marjorie's district. Anyway. Mr. Thierer? I get that name right?

Mr. THIERER. Right.

Mr. BURCHETT. All right. All right. The majority of East Tennesseans and, frankly, Tennesseans and Americans, are worried about their privacy being violated by government artificial intelligence programs. What do you think Congress can do to protect our privacy? And my biggest fear in all this is Congress. I mean, some of these cats up here still have eight-track tape players in their 1972 AMC Gremlins, and they are going to try to regulate AI. They cannot hardly spell "AI" and now we are going to regulate it, so.

Mr. THIERER. Well, Congressman, thank you for that excellent question, and as someone who used to grow up in a Gremlin with an eight-track player, I feel great affinity for this question. So, I think that, obviously, we need to make sure that privacy is protected in the digital age, and this Congress has struggled with how to get that done. Obviously, we have had a multiyear, multi-decade debate about baseline privacy legislation, and a great deal of bipartisan consensus exists, that that should be a priority before you get to a lot of the other questions about how to regulate all the various specific concerns about AI. A lot of them go back to fundamental data privacy, data security issues. And so, I think, you know, let us not put the cart before the horse. Let us think about getting that done first. I know that is something Congress is turning to next.

Mr. BURCHETT. All right. Also regards to China, how do we maintain our dominance in the AI sector? Any of you all can answer that. I will ask Mr. Thierer first, if that is OK, on this.

Mr. THIERER. Well, a lot of it comes down to making sure that America diffuses first. We have wonderful products. We are, essentially, winning one part of the AI war but losing another. We are

winning the part in terms of developing really sophisticated, high-powered frontier models and other systems and applications, but the reality is, is that China may be winning the diffusion side of things, and this is why it is very, very essential that we not miss out on making sure we have partnerships and deals, multilateral, mini-lateral approaches. The Administration has been trying to do this, obviously, recently, but this Congress should obviously make sure that we do everything we can to make sure American technology and products lead the world because it is not just about competitive advantage, it is about our values. Our values are embedded in our products, and, of course, the Chinese Communist Party values are embedded in their products of, you know, control, surveillance, and lack of human rights.

Mr. BAJRAKTARI. Yes, sir. We got to do three things. No. 1 is we have to continue to out-innovate and out-maneuver China. Our platforms should be the dominant global platforms. No. 2 is we have to work with our allies and partners to spread our platforms to the global south and rest of the world. And three, we got to find ways to slow down China and make it impossible for them to deploy their capabilities and to use their capabilities against us.

Mr. BURCHETT. Can you give me that first one again? I can tell by your accent you are probably not from East Tennessee.

Mr. BAJRAKTARI. I am not, sir.

Mr. BURCHETT. I am the only person in this room that is not speaking with an accent right now, so if you could say that first one again, brother.

Mr. BAJRAKTARI. The first one, sir, was that we have to make sure that we out-innovate and out-maneuver China.

Mr. BURCHETT. Right.

Mr. SHAH. I will just add, I agree with all the other panelists here and witnesses. I think that this is an infinite race, and the technology that is being discussed here today, AI, can essentially be wielded and constructed by any sort of group of smart people, and the planet grows smart people everywhere every day. And I think that to the extent that we can be the ones that others follow, that we can be the ones whose software, whose hardware, whose foundation models others use, we will have the sort of dominant leadership position of how this whole planet evolves.

Mr. BURCHETT. Ma'am?

Ms. MILLER. Well, I would say that China is doing a very good job of figuring out how to defeat some of our security vulnerabilities. And I think that is one area that we have a ways to go is to protect the infrastructure because North Korea and China and others are getting better and better at infiltrating and exploiting our vulnerabilities.

Mr. BURCHETT. Sir?

Mr. THIERER. I am going to be contrary here. I think the U.S.-China arms race is an overblown metaphor. This is not the 1960s. This is not the cold war. Science happens globally. The transformer model invented by Google, it was published, everyone uses. DeepSeek, China comes up with this model. It is public. Everyone is innovating based on it. Ideas are flowing cross-border. The dominance is more companies than technology, so do not think about regulating the hardware, the software, the ideas. We cannot do

that, and this is not the kind of world where that happens. It really is the companies and what they are doing. It could be U.S. companies, European companies, Chinese companies, other companies.

Mr. BURCHETT. All right. Thank you all. Chairlady, I yield back nothing.

Ms. MACE. OK. Thank you. I will now recognize Mr. Subramanyam for 5 minutes.

Mr. SUBRAMANYAM. Thank you, Madam Chair. I appreciate us having this hearing. I served in the second term of the Obama Administration as a technology advisor in the White House. I worked a lot with a lot of great groups who are dedicated to modernizing government, making it more efficient, bringing AI to government. And one of them was the U.S. Digital Service, which has now become the U.S. DOGE service. Another one was 18F, which has been completely set apart, completely gotten rid of it, and I will talk about them in a second. But one of the concerns I had about DOGE was that there is this notion coming in that they would come in and fire all these Federal civil servants and that AI would replace them, and that we would save trillions of dollars as a result, and so that is wrong for a bunch of reasons. One, even if you fire every Federal civil servant, you are actually not saving that much money in comparison to the deficit and the debt, but two, the Federal workers are so essential when it comes to helping utilize these technologies, and especially the technologists that we have hired in recent years.

And so, we have heard a lot about this already from people testifying and even from Members here, that it is not just about having AI, it is about having to deploy AI in a responsible way and in a manner in which we are not letting AI make mistakes. I will give you an example. In Michigan about, let us say, 10 years ago now, they deployed AI to try to find fraud, and they ended up finding a lot of fraud where there was not any fraud. And a lot of people got investigated or went bankrupt trying to defend themselves from getting sued, and then they realized that the AI had made a big mistake. And there are so many other examples of AI being deployed in an irresponsible way because we simply were not pairing them with a human element that could help sort of edit and deploy it responsibly.

And so, 18F was a great example of this. They were actually doing a lot of great work to modernize our Federal Government and bring AI to the Federal Government, and going agency by agency and helping us procure great tools to do that, and instead, they were all fired, basically. DOGE came in and fired the entire staff at 18F, and now we are trying to figure out how to deploy AI in government, but we are chasing away the very technologists who can come to the Federal Government and help us do that.

And so, if you want AI and modernization in government, we need the best and brightest to be coming to government, but instead, what we have is a brain drain on our Federal Government because we are trying, to quote the OMB Director, "put Federal workers in trauma." Who wants to come and work for the Federal Government if the people running the Federal Government wants to put you in trauma? Nobody. So, we are not going to attract the best and brightest technologists to help deploy AI, and we are cer-

tainly not going to have what we need to have pairing up with AI in order to deploy responsibly.

And then there are a lot of other things going on that I think are bipartisan, like, you know, making sure we update our legacy systems. I was just working with air traffic control, and I think their software is Windows 95. I have talked to many others in government who do technology, they still use COBOL, right? They still use really antiquated technology and coding. So, how are we supposed to deploy modern AI tools when we have these legacy systems, right? The other thing is, how are we supposed to recruit and retain great people to help transition and modernize our government when we are chasing them all away?

And finally, this AI human collaboration. It is already running into problems in the private sector, but it has to be even better in the Federal Government because like in that example with Michigan where people's lives were ruined because they deployed an AI technology irresponsibly, here, if you mess with an AI tool and it does not get people's checks on time for Social Security or Medicare or Medicaid, then people are going to go without healthcare. People are going to go without being able to pay their utility bills. It is going to have a terrible effect on the American people, and that is what this is really about.

It is not about just deploying AI so you can say you deployed AI. It is about making sure we are deploying technology for the benefit of the American people, and so I hope we can reverse course. I hope we can work in a bipartisan way to make sure that we are taking advantage of the advances in AI but doing so in a responsible way. I yield back.

Ms. MACE. Thank you, and I will now recognize myself for 5 minutes. I want to thank our participants and panelists and witnesses today for being here.

One of my concerns, coming from a technology background, like, I learned COBOL back in 1999, and a lot of our systems today, they are on legacy systems. We waste a lot of money on that, and then with the advent of AI and how fast technology is moving, you know, the Federal Government has real challenges with moving forward in a quick way and competing against our adversaries. So, this is my first question to all the panelists this afternoon, is if you could just do one thing that could advance the Federal Government in any way, any agency, any capability, if you could just do one thing today to help us utilize AI and technology to move the ball forward, what is that? What is the one thing you would do? Does not have to be something big. It could be a small part that makes a big difference. But what is that one thing you would do right now, if we could do it tomorrow, snap our fingers? What is it?

Mr. BAJRAKTARI. Ma'am, I would say enable adoption, any models at any jobs in Federal Government, for memo writing all the way to execution, logistics, back office responsibilities, anything, but without enabling, you know, humans to start adopting these technologies, I do not think we will get to the next stage where we need to be as a country.

Ms. MACE. Mr. Shah?

Mr. SHAH. Most of the innovation happening in AI is happening at small startups, and I think that, to the extent that you can look

at a team of maybe 50 people and see how long it takes for them to get their product discovered and utilized by Federal Agencies, will determine how fast we can move, and to the extent that we can solve that, I think it would make a big difference.

Ms. MACE. Ms. Miller?

Ms. MILLER. Pick a high-value process that can be automated using agents and deploy them. So, for an example, continuing disability review in Social Security, we have seen a 9 to 1 ROI on that process of reviewing continuing disabilities that is using people. That ROI would be at least probably doubled if we used AI agents, and we would save a lot of money in a very, very high-value area. So, pick a really high-value area, deploy agents, and measure the difference so that you can use that measurement to inform other investments.

Mr. THIERER. Chairwoman, you are going to like my answer because I am going to say we need the AI Training Extension Act to be moved.

Ms. MACE. I love that.

Mr. THIERER. We need better literacy and skills government-wide. We have a lot of smart people working in government, and sometimes it is just a matter of getting them moving in the right direction and the right training to get the job done.

Ms. MACE. Mr. Schneier?

Ms. SCHNEIER. I want to see a model that was not built by a corporation. I want to see a public AI, that democratic processes are different, they have different ordinances, they have different requirements, and to get a model that will be trustworthy for the U.S. Government. I think it needs to be U.S. Government built. I do not think it can be corporate built. So, funding and research into a public AI will give us a different sort of AI. I think it is going to be interesting.

Ms. MACE. It is interesting. You know, we have all this technology at our fingertips, but, like, going back to Ms. Miller's comments about fraud and abuse, we have this technology, but it is almost like we write these checks and then we cross-check it later. So, there is a System Called DoNotPay. It is called continuous monitoring. It still gives agencies match results the next business day, for example, and in 2025 that is dial up speed, right, when you can have it within seconds. And taxpayers are footing the bill for a 24-hour lag when there are fintech companies that are out there that can flag fraud in milliseconds, like that technology exists. The March 20 executive order would force agencies to share all unclassified records with authorized officials, yet most agencies are still swapping spreadsheets as opposed to using APIs and technology that is, again, readily at their fingertips.

The Secretary of Labor now has statutory access to state unemployment insurance files, but those fees are not wired into DoNotPay as of today, right now, and it seems like we are still paying benefits first and then cross-checking later, which, again, makes it rampant for fraud that we have had year over year over year. And then the IRS individual master file is written in COBOL in the 1960s, and it still drives every tax refund. Like, I cannot even wrap my brain around. I mean, if I saw a line of COBOL right now, I would probably throw up, and then to know one of the most

important agencies for American taxpayers, you can get your money back from the government, it was written in COBOL from the 1960s. So, how can an algorithm catch refund fraud in real time when the source of the data lives in a mainframe computer?

And then the last thing I want to say is that GAO says that the Federal Government blows 80 percent of $100 billion IT budget just keeping 1970s systems on life support. I would love to know after this, and I will send a question follow-up, but if there was one legacy IT system you could cancel today, what would it be? And I do not have time, but that is a follow-up question I would love to ask all of you. What is the one legacy IT system you would just cancel tomorrow, if you could, to make our systems better?

Ms. MACE. Thank you so much, and I yield back. I will now yield to Ms. Lee for 5 minutes.

Ms. LEE. Thank you, Madam Chair. As we talk about AI, I do not think we can afford to ignore what is going on right now in our Federal Government. So, the latest out, we know that Musk and the DOGE children went into every department and accessed their datasets. Initially, they were digging around and using AI to cut government funding, but it has become clear now that the goal has been to amass and merge these different pots of data into one data base.

Trump has now tapped tech billionaire Peter Thiel's Palantir to head up that master data base. We are not talking about just intergovernment memos here in the data base. We are talking about Americans' Social Security numbers, home addresses, credit card numbers, medical diagnoses, and more. All that information would just be in one place, and then they are going to unleash opaque algorithms that no one understands but them. So, they will be able to do whatever they want, and we are supposed to just trust that they are working within our best interest. And we probably will not conduct much oversight because we have not been able to bring Elon Musk or anybody associated with DOGE into the Committee on Oversight and Government Accountability [sic].

So, Mr. Schneier, looking at the immediate risks of this, is there a concern that having all of this information in one place can make it easier to hack or steal?

Mr. SCHNEIER. Well, that is the fear, that we keep this data separate for partially security reasons. I mean, there is a reason why that when data shared between agencies are done under certain rules and why there are security protections around the data. So, it is the data being consolidated that is a risk. Most of the data leaving the government data bases where they were, that is a risk. They are being moved into private companies. They are being used by algorithms, well, you said no one understands, but them. It is actually worse than that. No one understands, including them. These algorithms are opaque, and we do not know the quality of the data as data is combined.

Talking about COBOL, a lot of that is how the data is presented and making sure that it is the same across. In my initial statement, I talked about that story about 150-year-olds getting Social Security. That was a problem with understanding how the COBOL was not decoded.

Ms. LEE. Certainly.

Mr. SCHNEIER. And if you do not know that, you are going to have bad inferences that no one is going to understand and no one is going to check.

Ms. LEE. Thank you. So, beyond the concerns with the data all being in one place, one less secure place, we also need to be concerned about with what Trump and these tech billionaires are going to do with that data. Just very quickly, and "yes" or "noes." Mr. Schneier, could an AI system theoretically be used to decide if someone qualifies for Medicaid?

Mr. SCHNEIER. Certainly.

Ms. LEE. How about used to make decisions around veterans' benefits?

Mr. SCHNEIER. Yes.

Ms. LEE. Could AI be used to make hiring decisions?

Mr. SCHNEIER. It can make any yes or no question you want.

Ms. LEE. Thank you for entertaining that. Trump and his Administration can take all this collected data and use it to profile people, to make decisions about them, to deny them benefits, and we know from his Twitter rants that he is incapable of being unbiased. Then they are trying to prevent any state-passed guardrails on AI through the provision in the reconciliation bill that you guys unseriously called the Big Beautiful Bill. That provision would ban any state regulation of AI for 10 years.

Our government cannot just play loose and fast when it comes to people's personal data and lives. We have already seen the consequences of improperly deployed AI. Michigan had to refund $21 million to residents who were wrongfully accused of unemployment fraud from their AI system. A tenant screening system called SafeRent was accused of violating the Fair Housing Act because their AI algorithm disproportionately scored Black and Hispanic renters lower than White applicants.

Most of this technology is still so new, it needs time to be vetted and improved. Look at what happens when AI is used just in government reports. The Make America Healthy Again reports cited to multiple studies that did not exist. Can you imagine if ChatGPT was deciding if you qualify for housing or not? That is not to say that all AI is bad, but it is dangerous to work quickly. When you move fast and break things in the government, people get hurt.

Carnegie Mellon University, which is in my district, has a Center for AI Standards and Innovation, and has been working with the National Institute of Standards and Technology to make a methodical approach to assessing the benefits and risks of AI models. Thinking about the ethics of AI, work like theirs is vital to ensuring that AI programs are used safely, accurately, and without bias to the best of our ability, recognizing that a society without biases is far off. But that is the approach the Trump Administration should be taking, not packaging up all of our personal data and handing it over to unvetted tech billionaires. I thank you all for your time, and I yield back.

Ms. GREENE. [Presiding.] The gentlelady yields. I now recognize myself for 5 minutes.

We just passed the One Big Beautiful Bill through the House of Representatives, and now it has gone on to the Senate where they will be making changes to the bill. If there are any changes made

to the One Big Beautiful Bill, it comes back to the House for a vote and we get a second bite at the apple.

Now, while this bill was going through committees and being discussed in the House of Representatives, no one on either side of the aisle that I know of, Republican or Democrat, brought up this particular clause on one single page in an over 1,000-page bill, and I want to bring this up because I think AI is incredibly important. I support AI and many different faculties. However, I think that at this time, as our generation is very much responsible, not only here in Congress, but leaders in tech industry and leaders in states and all around the world have an incredible responsibility of the future and development, regulation and laws of AI.

It is such an important responsibility, it literally affects our children and grandchildren's future. So, I take this responsibility incredibly sincere, so much so that this past week I have come out in full transparency and said when I voted for the One Big Beautiful Bill, I did not know about this clause. I thought I was voting on taxes, energy, and border security, and this clause right here says a moratorium. In general, "Except as provided in Paragraph 2, no state or political subdivision thereof may enforce during a 10-year period, beginning on the date of the enactment of this act, any law or regulation of that state or a political subdivision thereof, limiting, restricting. or otherwise regulating artificial intelligence models, artificial intelligence systems, or automated decision systems entered into interstate commerce."

That is a comprehensive 10-year moratorium. Actually, what that is, is it is a pause for 10 years in federalism. This right here, if passed into law, will tell states they cannot regulate or make laws regarding AI. That means the Federal Government is the only governing body that can regulate or make laws for AI in the United States of America. And I would like to ask each of you, do you support federalism? Yes or no. I will start with you. Do you support federalism? Yes or no? State rights. It is a yes-or-no question.

Mr. BAJRAKTARI. I do not think I am able to answer this question based on my background, to be honest with you.

Ms. GREENE. OK. Then I take that as a no. Mr. Shah, do you support federalism?

Mr. SHAH. I do support state rights, and just from a small company standpoint, I would say whatever we can do to make it easier for a young company to navigate the 50 states will be very important, because otherwise——

Ms. GREEN. Well, either you support federalism or you do not, one or the other. It is a yes or no.

Mr. SHAH. Yes.

Mr. GREENE. OK. Ms. Miller, do you?

Ms. MILLER. Yes.

Ms. GREENE. Yes, Mr. Thierer?

Mr. THIERER. Yes. In line with the White House and with Speaker Johnson, I agree that federalism is important, but federalism is a two-sided coin of both states' rights and interstate commerce that we need to protect.

Ms. GREENE. The Constitution is clear on federalism. It is one side, state rights or none. Mr. Schneier?

Mr. SCHNEIER. I think that provision is nutty.

Ms. GREENE. OK. So, do you support federalism? Yes or no.
Mr. SCHEINER. In general, yes.
Mr. GREENE. Oh, in general, so that is vague. I am not sure.
Mr. SCHEINER. It is vague, but that provision is nutty.
Ms. GREENE. OK. So, I still did not get an answer clearly on federalism. Can you predict the future of AI in 1 year, 5 years, or 10 years? I am sorry. I apologize.
Mr. BAJRAKTARI. Yes. No, no problem. No, no problem. No, I do not think anybody can predict that. I think every model has become bigger and better and more transformative. I think——
Ms. GREENE. Right, so the answer is no. I am short on time. Mr. Shah, no or yes?
Mr. SHAH. I think it is hard to predict 5 years.
Ms. GREENE. Yes or no. Can you predict that period?
Mr. SHAH. No.
Ms. GREENE. OK. Ms. Miller, can you predict AI?
Ms. MILLER. No.
Ms. GREENE. Mr. Thierer?
Mr. THIERER. No.
Ms. GREENE. No? Mr. Schneier?
Mr. SCHNEIER. Not a chance.
Ms. GREENE. No, you cannot. In the state of Georgia, jobs are extremely important, and AI is, whether we like it or not, and it is helpful in many ways, and it is not helpful, will replace jobs. I have a manufacturing district, and the manufacturing companies are important, but so are the people's jobs. And if our state cannot regulate or make laws to protect people's jobs, people are going to go hungry. They are not going to have paychecks. They are not going to put roofs over their families' heads. And I think this is such a serious issue, that we need to look at this through—I will state it very clearly, I am pro humanity. I am not pro transhumanity. And when it comes to AI and regulation, when we get to vote on this bill again, I will be voting no because of this clause, and we will be working on this further. Thank you so much for being here today. I now yield to Ms. Simon.
Ms. SIMON. Thank you, Madam Chair. Thank you all for coming today and sitting in this very chilly room. I think we have all learned so much. I come from the Bay Area, which is, as you all know, the technological gold mine for the artificial intelligence community. I am so proud of that. In March, actually, I participated, I actually convened a table with AI innovators and leaders in my congressional district on how AI is and will continue to enable access to high-quality healthcare, data sharing, and, of course, opportunities for physicians and folks in the industry to expand access to the many wonderful folks who need it and deserve it.
We already know that AI is advancing lifesaving, early detection for cancer, Alzheimer's, heart disease, and I can go on and on, and can save clinicians time in charting and note-taking and better spent on patients and actual working with families and folks who need them. This technology helps patients self-manage their diseases with suggested resources and reminders to take medications. Again, as you all know, I can go on and on. And as somebody, myself, with a visual impairment, I was born legally blind. I cannot tell you how artificial intelligence has led the disabled community

to be able to live with more dependence and more self-determination, and it has exceeded, in this moment, our wildest expectations. The guardrails are needed, absolutely regulation is needed, but again, so many of us from impacted communities are so excited about what this technology allows for us to do.

The Federal Government has this responsibility and duty not only to set a standard around data privacy and security, but to follow the best practices. I have a lot written, but time is short, so I just actually have a couple of questions that I will just go straight to, and again, I want to thank you all today, and I am sure all of our offices will be working with not only you all, but leaders in the industry moving forward forever. So, my question is actually for Mr. Schneier.

You know, I have met with, as I mentioned, AI companies in my district who manage very sensitive health data, very sensitive health information with great care and sensibility and sensitivity, and these are the companies that I have met with. They only use de-identified patient information, data sharing, and encryption, and otherwise control access. Can you describe how our current Administration's actions differ from the industry standards and best practices around data privacy and security?

Mr. SCHNEIER. Oh, in so many ways. So, we have seen examples of DOGE dismantling security protections inside organizations. We have seen them taking data out of secure enclaves and taking it off premises, and we do not know where. We have seen them combining data in ways that are contrary to law. If you think about it, healthcare is controlled by HIPAA. There is a regulation about health care privacy. De-identified data is a science. The census has a whole program on how to de-identify data to be used by researchers without revealing private information. So, we can do this if we choose to. DOGE chose not to.

Ms. SIMON. Well, I have a little bit more time. Continue.

Mr. SCHNEIER. All right. So, I would want to add, moving it into AI models has its own risks, and it is several risks. It is the risks of the model being trained on data that is private and then could make it public. We see researchers being able to pull private data out of a model, so without safeguards, the training process fails in privacy. Then the data will be used as an input to whatever the model is to produce decisions, and that also can be a violation of privacy. So, all through these processes, we can build and we can build safeguards. I think that is your point.

Ms. SIMON. Yes.

Mr. SCHNEIER. We just have to do it, and there is a reason why you do this slowly and deliberately within organizations and not just pull the data out.

Ms. SIMON. Thank you, sir, and actually, this is a question that, as you are talking, just derived in my mind. Anyone on the panel want to talk about the innovations in healthcare and AI, particularly around diagnostics? I only have about 30 seconds, but I think it is an exciting innovation and folks will live longer, I believe, from what I have heard. Anyone want to jump in?

Mr. THIERER. Yes. Congresswoman, thank you for your leadership on this front. I will submit for the record a series of reports that my organization has put together on AI and public health

where we cite specific ways that AI is being utilized in drug discovery, medical devices, and so on and so forth. I will just mention that we have had a 50-year war going on cancer and we have not made as much progress as we need to, but last year, 608,000 people died of cancer, and a lot of these things can be addressed now with the power of artificial intelligence.

Ms. SIMON. I appreciate that, and, Madam Chair, thank you for your time and allowing me this time. My husband died of cancer. I know that he could have lived longer if we had these technologies. We got 2 years with him. Again, that was 10 years ago. Changed our lives forever. Thank you for your work, your innovation, and clearly, we need safeguards, but the future is bright. Appreciate you all.

Ms. GREENE. The gentlelady's time has expired. I now recognize Mr. Timmons from South Carolina.

Mr. TIMMONS. Thank you, Madam Chair. The greatest national security threat we face is debt. We have $37 trillion in debt. We have a $1.8 trillion annual deficit. The work this Administration has done over the last few months has been designed to try to find waste, fraud, and abuse to help mitigate that. They are also working to help grow the economy through tax reform, through renegotiating trade agreements, through deregulation, through streamlining permitting. The list goes on and on. But I think that AI has a huge opportunity to grow the work that DOGE has done as it relates to seeking out waste, fraud, and abuse.

So, the main thing that they did early on was to get all the government agencies to communicate using the same language, to code the same, to then be able to create transparency and track data from all the different government agencies. And that effort was really the beginning because now that everything goes through Treasury, now that we can track payment systems, we now have to layer on technology, and some of that is fairly simple.

For example, I have introduced the TABS Act, Timely Accurate Benefits, and that what that act does is it uses a pilot program that was done in Missouri where they, instead of using antiquated ways of confirming income eligibility for Medicaid, they use third-party website to verify eligibility immediately. And then the second you are no longer eligible, you are removed from whatever benefit it is, and so that resulted in a 17-percent reduction.

So, the way this technology works is you say, all right, I am on hard times. I want to get whatever government benefit, and they say, all right, well, you got to log into your bank account. And then when you log into your bank account, it says, OK, you have a Venmo, you have a Cash App, you have a Zelle, you have to log into that, too, and then immediately they say you are eligible or you are not eligible, and so you are actually getting benefits faster than normal. And this has a huge potential to save money and that 17 percent of Medicaid is about $150 billion if you do it over the entire Federal Government.

And, you know, one thing that the One Big Beautiful Bill did was instead of confirming eligibility once a year, which I think is ridiculous, we are now confirming eligibility twice a year. Well, why don't we confirm eligibility every day using technology? This is not hard. The technology exists. All we have to do is implement

it. So, that is one way that we can further find waste, fraud, and abuse because I think we can all agree that if you are not eligible because you make too much money or you are not eligible because, and this is the next step, because you are not the person who you say you are, then you should not get government benefits.

So, I am working on TABS 2, which is using technology to confirm you are who you say you are, and this is just using billions of publicly available pieces of data that, you know, for example, if you have an email address that was created in the last year and you are 45 years old, you are probably not who you say you are. If you have three different phone numbers, that is not normal. So, they are able to use technology, publicly available information, to confirm an individual requesting benefits is who they say they are. And honestly, that would not only help means-tested programs, it would help any government program. If you are saying you are who you say you are for Social Security, I mean, that is not means-tested, but we could use it to seek out waste, fraud, and abuse.

So, those are two things, two ways we can use technology to preserve government benefits for American citizens that deserve them. How can we grow that effort? How can we build on that effort using AI? Mr. Bajraktari?

Mr. BAJRAKTARI. Thank you. Sir, I think those two examples indicate the potential that we have in AI adoption for government services. I think we have got to do three things. The underlying issue that we have here is that we need to upgrade or modernize our IT infrastructure because you cannot deploy AI if you do not have the necessary infrastructure underneath that, and so to do that, we need to do three things. No. 1 is we need to upgrade our platforms, No. 2 is we have to update our policies, obviously, and No. 3 is we have to work on retraining and re-skilling our people.

Mr. TIMMONS. Ms. Miller, what are your thoughts?

Ms. MILLER. There is a lot we can do in this area. I mean, this is what the software company that I created just does this. And mining open-source intelligence to identify whether somebody is who they say they are, is the lowest hanging fruit and the best use cases we can do in the fraud space for government programs, and not just means-tested programs, every grant program. We put a trillion dollars in Federal money out every year to states for grants, and we have very little understanding of where that money is going, but we can use AI and open-source intelligence to very quickly identify if it is a shell company or even an organized crime ring that is actually getting that money.

Mr. TIMMONS. But on the organized crime front, a lot of these involve changing addresses once they request benefits and things of that nature, and AI could easily say, oh, it is weird. There is a P.O. box in Eastern Europe that gets 43 checks a day. That is weird.

Ms. MILLER. A hundred percent. There is geolocation. There are all kinds of behavioral biometrics that AI can flag. You can use, you know, probably dozens of different data inputs to identify fraud today using AI.

Mr. TIMMONS. And this is not a partisan issue. I think everyone can agree that only people that deserve benefits, that are entitled to benefits, should get them. So, again, I think using technology to make sure that we are being wise with our taxpayer dollars is

something that is a no-brainer, and I look forward to working with my colleagues across the aisle to do just that. Thank you, Madam Chair. I yield back.

Ms. GREENE. The gentleman yields. I now recognize Mr. Min from California.

Mr. MIN. Thank you, Madam Chair. I appreciate the opportunity to discuss artificial intelligence in the Federal Government. Of course, AI has been around for a while, but it is recently hit, I think we all agree, a tipping point of exponential and profound growth. Innovation and advancement are now being measured in days or even seconds or minutes as opposed to years, and this rapid development of AI is poised to radically transform our society and our economy. And that is going to create a lot of great benefits, I believe, but also a lot of challenges, including to our workforce, our national security, data privacy, and a whole host of other issues, and these benefits and challenges of AI are also important to consider as we contemplate bringing more AI into our Federal Government.

And one important point, and I know it has been made, but I just want to reemphasize this, AI is only as good as the inputs it receives, inputs it is trained on, the people who train it, and the objectives is trained to try to achieve, and that is something that I do think is being lost right now. In the rush to think about AI, I think we have to think about what some of the goals are. And a lot of mention has been made of the rash and reckless actions made by the Trump Administration, specifically Elon Musk and DOGE, around AI, and again, I think what are we looking at as far as goals? I think we want to make sure that the missions of our different agencies, of the tasks they are meant to accomplish, is what is in mind, and not just simply cutting for the sake of cutting.

And so, for example, you know, when we think about AI, DOGE may be using AI right now to surveil communications at Federal agencies, performing potential cuts, including staff and programs. They have stated that they want to use generative AI to automate much of the work previously done by civil servants, but there are a lot of potential mistakes there, as well as the data privacy aspects that have been touched on in previous questions. But this data privacy, and we do not actually know at this point what Elon Musk and DOGE have been able to scrape. They certainly have had access to a lot of our data, illegally so I would add, and what have they done with that? We have been told that they have downloaded them onto private servers. This Committee has not done any oversight on this question, but I think it is an important one. As we think about AI, is Grok or Elon Musk's other AI models, are they being trained on data that is only available because of his position at DOGE? This also creates a lot of national security risks as well.

And so, I guess my first question is to Mr. Schneier. From a national security perspective, what safeguards should we be thinking about implementing to make sure that we are protecting sensitive data while still promoting artificial intelligence, design, and innovation?

Mr. SCHNEIER. I mean, we have the safeguards. The regulations are in place that protect the data. We know how to do it. We have

been doing it for years, for decades, and it is a matter of implementing them. The problem, as you said, was what DOGE did was illegal. It was contrary to the laws, and when I think about using AI in organizations, it is a matter of bringing the technology in and using it in a way that makes sense. There is a lot of talk about using it to find fraud. That seems like a good use.

I would want to add, I see Mr. Timmons left, but how about tax fraud? That is, like, the for-profit arm of the government, and we get a lot of bang for our buck for looking for tax fraud. I think AI would be great at a first thing, but it is a matter of keeping the data in the organizations with the laws that protect it.

Mr. MIN. And I think Isaac Asimov wrote a book about this a long time ago, but something similar that we ought to be training AI, as we think about it, to follow basic rules and principles that we want them to follow first and foremost instead of just thinking about the end goals in mind. Now, again, I want to get back to the point of goals being important. When we look at Social Security, when we look at programs like Medicare and Medicaid, it is easy to simply just cut costs. But if we are diminishing service, if we are just looking at cutting costs and not at the service being provided or the efficiency of the service being provided, we end up with huge mistakes. At the same time, if you have a bunch of coders out there who do not have any context about the program, how it is been administered, you end up with huge problems, as we saw.

You know, we saw that DOGE flew into the Administration without even understanding the basics of how Social Security was coding its different entries in the COBOL coding process. And so, in that review, they noticed entries that made it seem like the Administration was paying individuals benefits who were aged 150 or older. Trump and Musk actually claimed this falsely, and again, it was because you relied on computer wizard geniuses, like, the 22-year-old coder named Big Balls, instead of actual Administration professionals who understood what was going on. Similarly, with Medicare and Medicaid, the goal here should be to maximize healthcare in an efficient way, not simply to cut costs. The cheapest way to administer healthcare, of course, is just to let everyone die. That is cheaper than administering healthcare, and so we cannot lose the forest before the trees here. So, I see I am out of time.

The last point I just want to make is the 10-year moratorium on AI regulation, something that is outrageous, something that was slipped in, in the dark at night, it is a shocking provision, and it was shocking that my colleague, Madam Chair Taylor Greene, said she would vote against the entire Big Beautiful Bill if this provision was not set out.

Ms. GREENE. The gentleman's time has expired. I now recognize Mrs. Luna of Florida.

Mr. MIN. Thank you.

Mrs. LUNA. Thank you, Madam Chair. You know, I want to thank you all for being here today. One of the biggest concerns I have with this whole discussion on AI is a failure to admit, first and foremost, that it does appear that in the next 10 years, that the way that we have grown up and know life with AI will be forever changing. With that being said, there are a few differences that I think most people acknowledge and that AI lacks a few

things, one being a soul, also empathy. And we are not gods or God, and so I think that we are playing a dangerous game, especially moving into a future that is simply unknown right now, especially if we do not essentially develop the first AI super weapon. Essentially, that is what this is. Whoever does will essentially control the world, and I think that that is a very serious topic that needs to be discussed right now.

But specifically, to transhumanism and coupling of AI with humanity, what regulatory frameworks can be established to ensure AI-driven transhumanist technologies, like brain-computer interfaces prioritize human safety and consent? I am opening this up to everyone on the panel. I have a few questions, so I would like to get through this, so just please limit your responses. Mr. B, if you want to go first, or down there, either/or.

Mr. THIERER. I will just briefly say, Congresswoman, that there has been a lot of work done on AI governance by multiple bodies and entities. I just want to cite something that actually came from the Biden Administration on this about the applicability of so many existing laws and regulations to AI. And their leading regulators, or four large agencies, said before leaving office that, basically, we have the ability to enforce the respective laws and regulations to promote responsible innovation and automated systems, and that, basically, AI does not get an exemption from civil rights laws, from consumer protections, unfair and deceptive practices, fraud, so on and so forth. So, we have a lot of policies that do regulate many of the fears you are raising.

Mrs. LUNA. Is there the possibility of regulation, though, that exists that would enable transhumanist enhancements that exacerbate social inequalities or basically financial inequalities, creating an elite class of enhanced individuals? I bring that up because we are talking about low-level jobs potentially being removed from the workforce, people that have and can afford the ability of, for example, implementing or implanting chips, given access to unknown amounts of, you know, knowledge, and essentially creating the first superhuman, and this is a real concern. I know it might come across as funny to other people, but I am genuinely concerned about this.

You know, from a bipartisan perspective here, we are talking about humanity versus machine. Hopefully, in a flowery world, we would have it set up to where it could, you know, improve society for the best, but I am also in politics, and I have a very, unfortunately, sometimes negative perspective on the world because I have seen the worst of humanity in this job.

Mr. SCHNEIER. So, science fiction speaks of this a lot. I mean, there are a lot of people who think about this notion of haves and have-nots, and how technology will exacerbate that, and that is going to depend on how it is available and how much money it costs and who can get it. Nita Farahany writes a lot about AI and brain interfaces and what we can do to protect humanity in that world, so I do recommend talking to her. She is the smartest person I know on that particular question.

Mrs. LUNA. OK. And also, what role can AI itself play in monitoring and mitigating risks associated with transhumanist technologies, such as detecting biases and enhancement distribution?

Mr. SHAH. I think a lot of the conversation so far since ChatGPT came out is about foundation models and how they operate and how they hallucinate, and some of the shortcomings of them and the risks with them, but a lot of these problems can be overcome at the application layer. And Ms. Miller and I represent companies who build applications on top of many models, and so if you think about that framework, what you understand then is the responsibility of some of these outcomes, the responsibility of some of these behaviors is not just left to the model. It is left to the vendor and the developer of——

Mrs. LUNA. So, how you train it.

Mr. SHAH. How you train it, how you package it, how you check for issues and guardrails and all of that.

Mrs. LUNA. Yes. So, real quick, I have one more question, just real quick, yes or no. Would either or any of you be in favor of the U.S. Government through either the DIA, NSA, all agencies involved, Pentagon, even creating a super AI—I would maybe term it guardian AI—to actually train up, based on our principles, to defend the United States and potentially world against maybe a more nefarious actor like China, creating the same super weapon, because AI can only fight AI, I think you guys would all agree with that. In an effort to defend the home front?

Mr. SCHNEIER. I think we cannot do that yet.

Mrs. LUNA. Not yet, but maybe in the future?

Mr. SCHNEIER. Maybe in the future.

Mrs. LUNA. OK.

Mr. THIERER. Maybe, but I need more about the details about what that means because there is a lot to unpack there.

Ms. MILLER. Unqualified, probably, to weigh in on that one.

Mr. SHAH. I am supportive of any sort of sovereign AI that we think makes sense.

Mrs. LUNA. Sovereign AI would be a good name.

Mr. BAJRAKTARI. I think government alone cannot do it. I think public-private partnership should be required in this case because, otherwise, we will not be able to confront China.

Mrs. LUNA. Thank you.

Ms. GREENE. The gentlelady's time has expired. I now recognize Mr. Frost from Florida.

Mr. FROST. Thank you, Chair. You know, the first few months of the Trump Administration have been unhinged. At several events in my district, I have heard from outraged constituents. People, as I have traveled across the country, have heard the same from people in many different districts. And there are two common themes I keep hearing about: No. 1, people that are angry at the Administration's attempts to degrade vital services, like, Social Security, Medicaid, FEMA, and the VA; and also fear about what Elon Musk and folks at DOGE have done and could be doing with the data of American citizens and the American people, things like health records, banking information, and Social Security numbers. These conversations are really just the tip of the iceberg. Hundreds of constituents have also called into my office with the same fear, that their private information is falling into the wrong hands.

Mr. Schneier, reporting in May revealed that DOGE is now feeding unknown amounts and unknown types of sensitive government

data into Grok, the AI program owned by Elon Musk. I find this extremely concerning. What are the potential harms that individuals now face from DOGE doing something like this?

Mr. SCHNEIER. Well, we do not know. So, it is the two things I would worry about, feeding it to Grok and also giving it to Palantir to train their models. So, once it has now left the government, it is going to different companies for different things. And I think that the fact that we do not know what the data is, what is being done to it, how it is being used, how it is being protected, is a grave danger, right? We secure that data because it is important and now it is somewhere else also. Also, we do not know the accuracy. I have not talked about it. I would worry about data poisoning. If you were an American adversary, one of the things you might want to do is go to that ill-protected data and change stuff because now the model is being trained on false data and we talked a little bit about hallucinations and making bad decisions.

Mr. FROST. In what way could the dumping of Americans' private data into personal and corporate AI programs create conflicts of interest or create personal enrichment for certain people?

Mr. SCHNEIER. Now, I mean, data is power and whoever has the data has the power, and for us to give that data to corporations, really with, you know, not even charging them for it, gives them an enormous amount of power. How they can use that is going to depend on what they are doing, and future technologies are going to make different things possible, but think of it broadly as it increases the power of those who have the data.

Mr. FROST. And it is important for everyone to, you know, remember that we have seen many different conflicts of interest throughout this Administration. We have also seen Trump, Musk, and other folks dismantle data privacy protections and ignore law after law. Since we cannot rely on the President or his Administration to obey the law, what other safeguards currently exist to keep our data safe?

Mr. SCHNEIER. No, that is all you got, I mean, you as a citizen. I mean, my data, that is at the IRS. I can do nothing about it, right? I am relying on you, the government, to protect my data. If you are not doing that writ large, I am kind of screwed.

Mr. FROST. For 130 days, we have seen Musk and other actors lurk inside our most sensitive data bases, grabbing whatever private data they want with zero to little oversight, especially no oversight from the U.S. Congress, including Republican Members of Congress as well. How can we as the Oversight Committee assess the damage that has been done and hold people accountable?

Mr. SCHNEIER. I think you actually have to do the work. There is an enormous amount of investigation that has to happen. We do not know what data was taken. We do not know where it went. We do not know where it is. And that is going to be work figuring it out, but I think it is work that has to be done because I think the first step to fixing the problem is understanding what it is. I mean, we can stop the flow, you can close down the loopholes, you can get these people out of the organizations, you can start protecting the data, but now the data is gone. You have to figure out where it is, who has it, and then take it back.

Mr. FROST. Interestingly enough, you know, you brought up the word "accountability," which is really important. When the Administration changed over from Democrats to Republicans, I think little things matter. I think words matter, and, you know, there is a word that changed in the name of this Committee. The word "accountability" used to be in the name of this Committee, and they changed it from government accountability to "government reform." It seems like a lot of my Republican colleagues have no interest in holding this Administration accountable for the misuse of data, and Congress has a horrible record in being able to legislate as it relates to technology. I think there are huge educational barriers. We bury our heads in the sand until the problem gets out of hand, and then someone comes up with a grand solution of banning it. This is what happened with social media, unfortunately, what I think might also happen with AI unless we get our stuff together here. Thank you. I yield back.

Ms. GREENE. The gentleman yields. I now recognize Mr. Crane from Arizona.

Mr. CRANE. Thank you for holding this hearing today. I want to say thank you to all the panelists for coming. I think we are all aware that the age of AI is here and expansion is absolute and unstoppable, but I do want to talk about what I feel to be the elephant in the room when we talk about AI, and one of my major concerns as a representative of the people to this country is our workforce.

Recently, Dario Amodei, CEO of Anthropic, one of the world's most powerful creators of AI, has a scary warning for all of us. He says this: "AI could wipe out half of the entry-level white-collar jobs and spike unemployment 10 to 20 percent in the next 1 to 5 years." Other experts have said that number is closer to 50 percent in the next 5 years. He also said that "AI companies and the government need to stop sugarcoating what is coming, the possible elimination of jobs across technology, finance, law, consulting, and other white-collar professions, especially entry-level gigs," he says.

Steve Bannon, who was a top advisor to President Trump in his first term, recently told *Axios*, "I don't think anyone is taking into consideration how much administration, administrative, managerial, and tech jobs for people under 30, entry-level jobs that are so important in your 20s, are going to be eviscerated, and it is already happening." Research that we have done shows that IBM just laid off 8,000 employees as of last week; McKinsey, a consulting firm, 5,000 employees as of May 28. Dell has laid off 6,000 employees in 2024. Intel has laid off 15,000 employees in 2024. And all of these were credited to AI and efficiency. Estimated total jobs lost, 214,000 total jobs lost to AI.

I recently asked AI, what are the careers that will be replaced first by AI, and AI told me data entry clerks, telemarketers, retail cashiers, warehouse workers, paralegals and legal assistants, basic customer support representatives, bank tellers, fast food workers, IT support technicians, tax preparers. So, we are talking about tens of millions of jobs, and I think that that is very scary, even though we have been talking about the efficiencies of AI, how much money it can save the Federal Government, corporations, and how we have to keep up with China.

One of my questions to you guys, and I am not blaming any of you, but does it bother you at all that the technology you are developing is set to destroy tens of millions of jobs? I want to start with you, Mr. Shah.

Mr. SHAH. You know, technology over time has generally raised the quality of living for all humans, and, you know, I know a lot of my fellow CEO AI folks out there try to grab headlines with some of their claims. I have not seen Dario's math behind all of this, but I think the point there is correct, that low-paying entry jobs will be taken on by computers, but it gives us a chance to reposition those individuals, re-skill them, and I do not think this is going to end. I think it is going to continue. For the next, you know, every 7 years, we are going to be talking about this.

What we have found is that for customers of ours, if you look at the private sector, they have taken those efficiencies, turned them into profits. Profits have then led to more ambition to grow their businesses. In fact, the majority of our customers have actually increased their employee headcount over time because they want to endeavor to do more things. So, I think when we start to automate mundane tasks, we can start to do more interesting work, and I think organizations will take full advantage of that.

Mr. CRANE. And you think that applies across the board to all those careers and industries that I just listed off, not just the ones in tech?

Mr. SHAH. I think that there will be changes to many industries because of this, and I think we are going to have to, as a species, respond to what this brings us and be able to, if we want to continue to lead the global race in AI, our agility is going to really matter.

Ms. MILLER. I would just add——

Mr. CRANE. Go ahead.

Ms. MILLER. I would like to just add that, I mean, Mr. Schneier mentioned this earlier, this is a serious issue. We are going to displace a lot of people, and we do not have the training right now to give them new jobs. We are talking about unemployment rates of 15 percent of college graduates, to say nothing of those who have not got a college degree. So, I do believe this is a serious issue, and it is not going to get any better.

Mr. CRANE. I have one more question. I want to shift gears real quick and talk about AI and defense. Mr. Bajraktari, I am sorry, I looked at your resume. You were the Executive Director of National Security Commission; Chief of Staff to National Security Advisor, Lieutenant General H.R. McMaster; former Chief of Staff to Deputy Secretary of Defense. Recently, the Ukrainians launched a drone attack on Russian soil. Ukraine said over 40 bombers, or about a third of Russia's strategic nuclear bomber fleet, was damaged. It was reported that this was done with AI. Do you think that this attack could have been possible without the U.S. help with AI intelligence?

Ms. GREENE. The gentleman's time has expired, but go ahead and answer quickly.

Mr. BAJRAKTARI. So, I do not have any insights into that. I left the government a couple of years ago, but it only shows how technology is changing the battlefield today, and I think how Ukrain-

ians are adopting to this new battlefield is really an example that they have showcased last weekend.

Mr. CRANE. Thank you. I yield back.

Ms. GREENE. I now recognize Mr. Bell from Missouri.

Mr. BELL. Thank you, and thank you to our witnesses for being here today to speak on this important issue.

Americans are concerned about AI and want protections from the risks it poses to their privacy, security, rights, and freedoms. Key AI guardrails that provided these protections at the Federal level were repealed. Now House Republicans are pushing legislation that bans states from enforcing laws or regulations to protect Americans from AI for a full decade. Mr. Schneier, why is it important that the Federal Government adopt AI responsibly and with necessary oversight?

Mr. SCHNEIER. Because doing it badly is going to harm people, and these are powerful things. So, these are technologies that are going to, in a sense, replace human activities. Now, whether they are going to be assistance to humans or they are going to replace humans for low-level decisions, they are going to do the things that humans did. And we know that when humans make bad decisions in government, people get hurt, so AI is going to do the same thing, and the problem is they can do it faster. They can do it more efficiently, so they could more efficiently hurt people, they could more efficiently help people, and that is why you need to do it responsibly.

Mr. BELL. When DOGE pressured Secretary Hegseth and the Department of Defense to quickly purge any mention of race across its web pages, the Agency used AI. The result was the Pentagon removed a tribute to Jackie Robinson, an American sports legend, civil rights icon, and World War II Army veteran, who served his country honorably, simply because it acknowledged his race. We are talking about American history that was flagged and removed in the blink of an eye. Mr. Schneier, without such safeguards, what risks do we face in ensuring the prevention of purges, distortions, or discrimination in Federal AI?

Mr. SCHNEIER. So, again, it is less the AI and more the people that used it, and the weirder one is we removed the page about the Enola Gay bomber, which was an aircraft and not actually gay. It just had the name. So, when these technologies are used without human oversight, as humans, we could recognize that is ridiculous, but an AI does not have that context. An AI is going to do, like any computer, exactly what it is told, and if it is given bad instructions, if it is not monitored, if there is not audit, there is not integrity in the system, you are going to get bad outcomes. So, the AI did it, but blame the humans who asked the AI to do it.

Mr. BELL. Removing access to information is just the first step toward deeper consequences. DOGE is creating lasting impact in our expert Federal workforce alone. We have seen a purging of nonpartisan Federal workforce, even though the Government Accountability Office has for years been sounding the alarm that a lack of skilled workers will lead to more waste, fraud, and abuse in government. Understanding how AI works and its possible biases in programming requires a very specific skill set, one which we are losing every day. Mr. Schneier, again, why is it important

to retain skilled workers with institutional knowledge who can carefully oversee the integration and use of AI across our Federal agencies?

Mr. SCHNEIER. Because the AI is not ready to do that yet. Without the people, the AI is going to run without context, and you are going to get mistakes like the ones we just talked about. And these are mistakes that are, in some ways, theoretical, they are about information, but they also harm people. We are talking about using AI to reduce fraud. Now you are going to have problems with false negatives. It is fraud you are not going to catch. You are going to have problems with false positives. There is fraud you are going to catch that is not real. A really good example comes from the U.K. Horizon Software was used to audit rural post offices and flagged hundreds of instances of fraud that was not real, costing people their jobs. There were suicides. This is the problem of getting it wrong, and humans can make these same mistakes. We just make them slower. AI makes the pace of this much worse.

Mr. BELL. In the name of efficiency, the government has recently slashed funding for Job Corps, a program that offers free career technical training for young people aged 16 to 24. Instead of investing in our future workforce, they have eliminated a program that could help fill the shortage of skilled workers in emerging tech careers. When it comes to the Federal Government, it is not a question of just efficiency, but also of equity, fairness, and safety. I believe in efficiency, and I believe that technology can do enormous good for the American people, but this is a country that has a history that AI cannot erase. I look forward to ensuring that when the Federal Government employs AI, it actually serves the needs of those who have too often been left behind.

Ms. GREENE. The gentleman's time has expired.

Mr. BELL. I yield back. Thank you.

Ms. GREENE. I now recognize Mr. McGuire from Virginia.

Mr. MCGUIRE. Thank you, Madam Chair. Thank you to our witnesses for being here today. I want to start by saying that I agree with Madam Chair, Congresswoman Marjorie Taylor Greene, that somehow we missed this 10-year ban on AI state laws, and I am hoping that we will fix that in the U.S. Senate. The President Trump and the White House, they said that we must ensure American AI dominance, and just yes or no real quick—just yes or no real quick—do you agree with the Trump Administration that the U.S. must have AI dominance? Just yes or no real quick.

Mr. BAJRAKTARI. Yes.

Mr. SHAH. Yes.

Ms. MILLER. Yes.

Mr. THIERER. Yes.

Mr. SCHNEIER. No, I do not think it works that way anymore.

Mr. MCGUIRE. Thank you. All right. So, DOGE has done outstanding work in identifying waste, fraud, and abuse. They have brought to the public's attention extreme inefficiencies in our government, especially involving outdated technology. In one example, DOGE highlighted the OPM Retirement Operations Center. This facility is located in an underground mine that holds over 400 million individual paper documents. It should come as no surprise that using outdated technologies leads to more mistakes. During the

Fiscal Year 2024, the Federal Government reported an estimated $162 billion in improper payments. Banks and credit card companies use AI and machine learning to prevent fraud, oftentimes before any money changes hands.

So, I guess I will ask each witness, do you think the Treasury payment system could use similar technology to lower waste, fraud, and abuse? And I am talking AI.

Mr. BAJRAKTARI. Yes.

Mr. SHAH. In general, yes. I am not qualified on this particular topic.

Ms. MILLER. Well, there are a number of executive orders and legislative proposals that are aimed at trying to improve Treasury's payment verification services and the data that Treasury is being able to gather in. But one of the problems with focusing entirely on Treasury, though I do believe Treasury is the right entity for a centralized system, is that Treasury is making a decision right before a payment is made where we can actually put these technologies upstream within the agencies before an application is approved because many times we are approving people, we are approving the shell companies or entities that do not exist. So, if we are using better data across the agencies, not just at the Treasury, but absolutely modernizing Treasury system and getting more data, and I am very supportive of the executive orders that have come out to date and some of the legislative bills that are being proposed.

Mr. MCGUIRE. I got a couple more questions coming. Let me ask the last two witnesses, yes or no.

Mr. THIERER. Yes.

Mr. SCHNEIER. I am with Ms. Miller that you want to push this upstream.

Mr. MCGUIRE. OK. Do you think the Federal Government is losing money by not using modern technology, including AI and machine learning? That is just a yes or no.

Mr. BAJRAKTARI. It is more complicated. So, you need the digital infrastructure to use AI, so I think we need to first modernize the government IT infrastructure so you will be able to use AI.

Mr. SHAH. The private sector is doing this, so I think the government could do as well.

Ms. MILLER. Absolutely, without question.

Mr. THIERER. Yes, I agree.

Mr. SCHNEIER. Yes, especially tax revenue.

Mr. MCGUIRE. OK. Mr. Shah, as AI becomes more integrated in decision-making systems, are you concerned that these tools might reflect political bias? Specifically, are today's AI models biased toward left-leaning perspectives, and what implications might that have for public trust or government use?

Mr. SHAH. There is a proliferation of AI models now being trained on all sorts of data sets, and hallucinations are a thing, bias are a thing, and we can never really overcome them forever. I think there are going to still be traces of that given the type of technology that they are, but you can build applications that can control for this. You can absolutely look and have models checking models, checking models, and have a structure that ensures that everything it decides can be backed up and that can be referenced.

And while that will not solve every particular case, nor can we do that with human beings, I think the models and the AI systems can get very, very accurate.

Mr. MCGUIRE. President Biden let in, well, 15 million illegal immigrants into our country and allowed deadly drugs, like fentanyl, to pour into our communities. In just under 6 months, President Trump has secured it with daily encounters dropping by 95 percent. We have seen Department of Homeland Security successfully deploy AI to stop illegal immigration from cameras and sensors along the border to drug detection equipment and ports of entry. However, severe damage has already been done. There are an untold number of illegal aliens currently reside in our country—and I apologize if I pronounce your name wrong—Mr. Thierer, do you see any ways we can leverage AI to help facilitate deportations?

Mr. THIERER. I have not followed that one closely, Congressman, but I do know DHS is using AI tools for these purposes.

Mr. MCGUIRE. Awesome. Well, thank you for all your testimony today, and I yield back.

Ms. GREENE. The gentleman yields. I now recognize Ms. Pressley from Massachusetts.

Ms. PRESSLEY. Thank you. Just 2 weeks ago, Republicans passed a reconciliation bill that would ban all states from regulating AI for 10 years. Since most did not actually read the bill, they were unaware of that, so this is a timely hearing as Republicans are learning the error of their ways in real time. They are offering the American people up as guinea pigs for corporations to conduct AI experiments with no oversight, no regulation, and no enforcement.

Mr. Chair, I ask unanimous consent to enter into the record a letter by the Massachusetts Joint Committee on Advanced Information Technology, the Internet and Cybersecurity from May 30, 2025, which details the dangers of the Republican moratorium. Unanimous consent?

Mr. MCGUIRE. [Presiding]. Without objection.

Ms. PRESSLEY. All right. Now, let us talk about why regulating AI matters. Artificial intelligence reflects the assumptions of those who build it and the priorities of those who use it, and too often, those priorities fail to include the safety, the rights, and economic opportunity of Black communities and other marginalized groups. In my district, the Massachusetts 7th, we are proud to be a national hub for technology and innovation. For example, Northeastern University's Center for Inclusive Computing is leading the charge to make sure that AI opportunities are accessible to all. At the same time, we cannot allow AI to be the latest chapter in America's history of exploiting marginalized groups, namely the Black community. The government must invest in an approach rooted in equity that protects the rights of everyone.

That is why, Mr. Chair, I ask unanimous consent to enter into the record this report released last year from Color of Change titled, "Black Tech Agenda: Advancing Equity and Reimagining Technology."

Mr. MCGUIRE. Without objection.

Ms. PRESSLEY. All right. Mr. Schneier, do you know which government employee or agency or board is responsible for overseeing

AI deployment across the executive branch to prevent violations of civil liberties and civil rights?

Mr. SCHNEIER. I do not believe there is one, so if this is a test, I just failed.

Ms. PRESSLEY. Well, the truth is no one knows. The responsibility of AI civil rights enforcement is not in anyone's job description, and that has got to change. The United States Federal Government is deploying AI and it is impacting our daily lives. There are more than 2,000 AI use cases across agencies. Right now, there is nothing stopping the Department of Health and Human Services from using AI systems to help decide who receives Medicaid, who receives food assistance, and disability benefits. If an algorithm flags someone incorrectly, a mother could quite literally lose access to her child's medication, or a family could lose food support.

There is nothing stopping the Department of Justice from using racially biased algorithms to decide who gets released from prison. AI should not be determining who gets care, who stays in prison, or who can feed their kids without any sense of oversight or recourse. The government's use of AI cannot be unchecked and unregulated. If we want the public to trust the Federal Government, then we must have transparency. I yield back.

Mr. MCGUIRE. The gentlewoman yields. I now recognize Congressman Moskowitz for 5 minutes.

Mr. MOSKOWITZ. Thank you. Thank you, Mr. Chair. I appreciate the waive-on today. You know, obviously, this is an important topic on artificial intelligence. I got to be honest. I definitely want to meet the person in the Capitol who was like, we are going to have a hearing on intelligence. Let us give that to Chairman Comer. But, you know, we saw some language wind up in a bill that everyone is complaining that, you know, they did not read. Remember, they were the ones who had the 72-hour rule. That was their rule. In fact, they cried and demanded that every bill come forward and be given 72 hours to read a bill. They complained when Democrats were in control. Meanwhile, they passed this bill in the dead of night. Do not listen to me. That is what Elon Musk is now saying on Twitter.

Yesterday, in the DOGE Subcommittee hearing, Chairman Comer announced new investigations into the Biden Administration, and I thought, of course. This makes total sense, right? We have recently brought back measles and the dire wolf and the tariff policies of the 1930s, so you know, why not resurrect the failed Biden impeachment? I do not want to go down memory lane about what happened last year, but, you know, they said they would call for impeachment. That is what they said, and they never did. After hundreds of interviews, fundraising emails, and speeches, and lying to their base, they never called for impeachment. So, I want to do the do not listen to what they say, watch what they do, and this is, of course, all a distraction, right?

They said they would lower food costs. They said they would take us into the golden age. They said they would end the war in Ukraine and Gaza. They said they would not touch Medicaid. They said they would lower interest rates. They said they would lower our debt. They said they would release the Epstein files. Remember that? This is not one of the ones that Pam gave out. I made my

own. It is not hard, right? And the biggest one, the biggest one, my favorite, they said they would make government more efficient, DOGE. "E" stood for efficiency.

Name one department, one government service, anything that the government does that they made more efficient. Certainly not the Newark airport. Definitely not FEMA. We got an Administrator who is finding out about hurricane seasons, a little late. Total failure. No new technology, no new procurement rules. Procurement is a big problem in government. You got different agencies, different departments making different procurements, buying technology that cannot communicate with each other. By the way, we learned that after 9/11 in law enforcement and we still have not fixed that problem. No new streamlined processes. Zero, OK?

And so, look, sometimes people are visual learners, right? They are visual learners, and so look, this is what the Republicans promised the American people. They promised them this, OK? This was the Willy Wonka thing in London. This is what they promised them. This is what it was supposed to look like, right? The golden age, and that is not what they have delivered. What they have delivered is this. This is what they have delivered the American people. This is what is left of the DOGE effort that—she got to keep her job. This is what is left. And so, they are very good at telling the American people what they want to do, what they say they are going to do, but the American people should start watching what they are actually doing, or what they have done or what they have not done.

And so, listen, fine, bring in the Biden people again. We will go through this whole thing. Tens of millions of dollars wasted in the last Congress. We will do it all again, right, back to our old tricks, but of course, they want to bury them in the basement again. It is being proposed that, oh, we will take their depositions, bury them in the basement. Then they will leak the transcripts. They tell you, well, we want to shine transparency on the end of the Biden Administration. We want to get to the truth, but they want to hold these meetings in secret, not in front of the cameras, not in front of the American people, in the bottom of a basement. By the way, I noticed that the Oversight Hearings are now in the bottom of a basement. Ironic, after all the basement talk last Congress, but they just want to suppress information. They want to do selective leaks and they want to distract that this is the least productive Congress in 70 years.

So, listen, it is fine. We will do it all again, OK? Will not help people at the grocery store, will not help people save their healthcare. It will do none of that, but it will get you on OANN and Fox News and raise money. Thank you.

Mr. MCGUIRE. I now recognize Congresswoman Trahan for 5 minutes.

Ms. TRAHAN. Well, thank you, Mr. Chairman. I appreciate you allowing me to be part of this important conversation. Over on the Energy and Commerce Committee, which is where I usually serve, we have a lot of conversations about technology, and one thing is always clear: data is at the heart of AI. That is why I believe that any serious discussion about AI has to start with a conversation about privacy, and that is what I am here to do today, to sound

the alarm about a deeply troubling trend, our own government's growing appetite for Americans' personal data.

Let me just give you an example, a hypothetical, of course, but not a far-fetched one. Sarah is a typical American woman. She pays her taxes, owns a gun legally, and is raising her daughter, Emma, on her own. She and Emma rely on Medicaid to get the healthcare that they need. One day, Sarah shares a post on Facebook. She is concerned about something the President said about firearms and she posts so, but in Washington, an AI-powered monitoring system flags her post. A political appointee digs into her personal data and sends emails to agency heads urging them to take action against her. Within days, Sarah's life falls apart. The IRS audits her and claims she owes thousands. Emma's doctor says her Medicaid is not active anymore and now Sarah has to pay out of pocket. Now, to be clear, this story is made up, but it is not science fiction. It is an alarm. It is a warning.

Mr. Schneier, you talked in your testimony about coercion as an adversarial use of data. What kinds of coercion could bad actors inside the government use if they had detailed profiles on every American?

Mr. SCHNEIER. I would think of it as selective investigation. I mean, the government has enormous powers to investigate people, and the question is who they choose to investigate. There is a famous book from many years ago, called "Three Felonies a Day," that we, in our normal lives, commit three felonies a day because there are just so many rules and we do not know them, and so, given things like that, who you choose to enforce the law on matters. So, this data can be used to select people whom to investigate, people whom to charge, and this could be used selectively by any regime, even not the U.S., any country that wants to do this.

Ms. TRAHAN. Yes. Well, unfortunately, this is not just a hypothetical trend. It is already happening. Under the Trump Administration, DOGE aggressively collected sensitive data across agencies, breaking down firewalls that are supposed to protect us. Then came the executive order directing agencies to eliminate information silos, basically to share and pool that data. And just last week, we learned that Palantir, a Silicon Valley company known for building surveillance tools, is being hired to build AI-powered profiles on every American using the data that DOGE collected. It is hard to overstate how dangerous this is. Mr. Schneier, are you worried that once this data is centralized, future administrations, no matter their party, could weaponize it? I mean, are we on the verge of opening Pandora's box here?

Mr. SCHNEIER. I do not know if Pandora's box has been opened years ago, but certainly giving this power to a government is something that feels very un-American. I mean, there are reasons why this data was siloed. There are reasons why we did not have these powers. I mean, you can imagine humans doing this well before AI, but we chose not to. So, AI can certainly make this more efficient, but yes, this is power in the hands of a human who wants to wield it for ill, can do that very efficiently.

Ms. TRAHAN. Thank you. We need a national reckoning on privacy. That means strong oversight of this Administration and its tech partners and real legislation to protect Americans' rights. You

know, I have spent the past 3 months talking with civil liberties groups, privacy experts, and people across the country, and the one thing is clear. We need stronger privacy laws. I believe that we can protect people's data and modernize government to prevent fraud, waste, and abuse. These goals are not at odds. They are linked. So, if you are listening and you are concerned about what is happening about Big Tech, about government overreach, about your family's privacy, call my office. Let us have a national conversation. Let us protect the freedom that our founders fought for and the privacy we all deserve.

And one last thing I just wanted to mention, because over the course of this hearing, the Chair has suggested that no one on the other side of the aisle called attention to the harms of the Republicans' 10-year ban on state AI regulations. That is patently false. We had robust debate on the Energy and Commerce Committee with several Democratic members, myself included, calling attention to this provision during and after our 26-hour markup. In fact, Democrats offered an amendment to strike the language entirely. So, Mr. Chair, I ask unanimous consent to enter into the record the results of the recorded vote.

Mr. MCGUIRE. The gentlewoman's time is up. Without objection.

Ms. TRAHAN. Thank you. I yield back.

Mr. MCGUIRE. In closing, I want to thank the panelists once again for their testimony today.

With that and without objection, all Members will have 5 legislative days within which to submit materials and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their response.

If there is no further business, without objection, the Committee stands adjourned.

[Whereupon, at 2 p.m., the Committee was adjourned.]

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