SUBMITTED STATEMENT OF

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BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

HEARING ON

"THE FEDERAL GOVERNMENT IN THE AGE OF ARTIFICIAL INTELLIGENCE"

JUNE 5, 2025

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Chairman Comer and members of the committee:

Thank you for the invitation to participate in this important hearing. My name is Adam Thierer, and I am a senior fellow at the R Street Institute, where I cover emerging technology policy.

My message today focuses on three points.

1) First, there are meaningful benefits to governmental use of artificial intelligence (AI) technologies.
2) Second, Congress and the Trump administration need to take steps to unlock those benefits by accelerating the modernization of government systems and policies.
3) Third, we must appreciate the connection between broader AI regulation and the benefits the government itself can accrue from these systems.

AI OFFERS MAJOR BENEFITS TO GOVERNMENT

Many experts have pointed out how governments face a clear choice when it comes to AI. They can either embrace "the technology's potential to help improve the lives of the citizens they serve. Or they can stay on the sidelines and risk missing out on AI's ability to help agencies more effectively meet their objectives."[1]

The federal government is already beginning to integrate AI into systems and processes.[2] Progress is still slow, however, and there needs to be more urgency to tap the many benefits that AI can offer.

Drawing on U.S. Government Accountability Office research, 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 Approximately 80% of this spending goes to operating existing legacy systems that are typically outdated and underpinned by archaic software and hardware components."[3]

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 agencies helped "to modernize infrastructure, enhance citizen services, improve national security, and foster innovation" and unlocked significant long-term cost savings and efficiencies.[4]

Doing more with AI could generate broader benefits. Accenture estimates that by tapping AI systems, federal agencies "could unleash a productivity windfall for the U.S. government, worth

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[1] Cristina Caballé Fuguet & Casey Werth, "What can AI and generative AI do for governments?" IBM *Think*, Feb. 28, 2024. https://www.ibm.com/think/topics/generative-ai-for-government.

[2] Madison Alder, "Federal government discloses more than 1,700 AI use cases," *FEDSCOOP*, Dec. 18, 2024. https://fedscoop.com/federal-government-discloses-more-than-1700-ai-use-cases. Rebecca Heilweil, "GSA debuts new generative AI tool for workers," *FEDSCOOP*, Mar. 20, 2025. https://fedscoop.com/gsa-generative-ai-tool-doge.

[3] U.S. House of Representatives, 118th Congress, *Bipartisan House Task Report on Artificial Intelligence* (Dec. 2024), p. 8. https://www.speaker.gov/wp-content/uploads/2024/12/AI-Task-Force-Report-FINAL.pdf. U.S. Government Accountability Office, "Agencies Need to Develop and Implement Modernization Plans for Critical Legacy Systems," U.S. Government Accountability Office, GAO-21-524T, Apr. 2021, https://www.gao.gov/products/gao-21-524t.

[4] U.S. Chamber of Commerce, "Maximizing Cost Savings: Unleashing the Value of Federal IT Modernization," Apr. 15, 2024. https://www.uschamber.com/technology/unleashing-the-value-of-federal-it-modernization.

up to $532 billion annually by 2028."[5] Earlier this week, the U.K. government reported that a new trial of AI tools revealed that civil servants who used them freed up two weeks a year in working time, illustrating how the technology can achieve productivity gains across government.[6] 82% of those government workers said they wanted to continue using the AI tools to boost productivity.[7]

AI tools can be particularly helpful in simplifying paperwork and procedural hassles.[8] AI has already been used to improve public records management at many federal agencies, including document declassification and Freedom of Information Act requests.[9]

AI can also help streamline specific regulations and make them more cost-effective to ensure greater value for taxpayers.[10] AI is also helping governments at all levels better administer specific public services, including infrastructure management, public safety efforts, healthcare delivery, environmental monitoring, emergency response services, workforce development, and various other citizen services.[11]

MODERNIZATION REMAINS ESSENTIAL

As Congress and the executive branch look to continue to clear a path to efficient governmental AI uptake, the focus should continue to be on addressing barriers to implementation through five main priorities:[12]

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[5] Accenture, *The Coming AI Productivity Boom—And How Federal Agencies Can Make the Most Of It* (2024). https://www.accenture.com/content/dam/accenture/final/a-com-migration/r3-3/pdf/pdf-126/accenture-federal-ai-productivity-boom.pdf.

[6] Melissa Heikkilä, "UK civil servants who used AI saved two weeks a year, government study finds," *Financial Times*, June 2, 2025. https://www.ft.com/content/7c2aa19d-4c92-490d-bb35-f329a246fe5b.

[7] Ibid.

[8] National Archives, "Inventory of NARA Artificial Intelligence (AI) Use Cases," *last accessed May 30, 2025*. https://www.archives.gov/ai. U.S. Chamber of Commerce, "Government Digitization: Transforming Government to Better Serve Americans," Oct. 17, 2022. https://www.uschamber.com/technology/government-digitization-transforming-government-to-better-serve-americans.

[9] Scoop News Group, "How the State Department used AI and machine learning to revolutionize records management,: *FEDSCOOP*, May 16, 2024. https://fedscoop.com/how-the-state-department-used-ai-and-machine-learning-to-revolutionize-records-management. Sophia Fox-Sowell, "AI could change public records requests, professor tells Congress," *STATESCOOP*, Apr. 11, 2025. https://statescoop.com/ai-foia-public-records-government.

[10] Will Rinehart, "Let's use AI to clean up government," *Fox News*, July 21, 2023. https://www.foxnews.com/opinion/lets-ai-clean-government.

[11] Mark Fagan, "AI for the People: Use Cases for Government," Harvard Kennedy School 2024 M-RCBG *Faculty Working Paper Series*, 2024-02. https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/working.papers/M-RCBG%20Working%20Paper%202024-02_AI%20for%20the%20People.pdf. Mark Jackley, "Using AI in Local Government: 10 Use Cases," *Oracle Cloud*, Aug. 7, 2024. https://www.oracle.com/artificial-intelligence/ai-local-government.

[12] Madison Alder, "Data, talent, funding among top barriers for federal agency AI implementation," *FEDSCOOP*, Oct. 10, 2024. https://fedscoop.com/data-talent-funding-among-top-barriers-for-federal-agency-ai-implementation.

- Modernize federal acquisition policies to boost AI adoption,[13] especially by encouraging easier acquisition of sophisticated but cost-effective commercial systems;[14]

- Streamline paperwork and use requirements associated with federal AI contracts and deployments,[15] especially for small businesses and open source providers;[16]

- Ensure government data sets are AI-ready and interoperable such that the public, researchers, and other organizations can more easily benefit from them;[17]

- Enhance in-house government AI talent and improve technical literacy at all levels; and,[18]

- Boost trust and security in government technology systems.[19]

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[13] Business Software Alliance, "BSA Letter to Office of Management and Budget on Revisions to OMB Memos on Government Use and Acquisition of AI," Mar. 12, 2025. https://www.bsa.org/policy-filings/us-bsa-letter-to-office-of-management-and-budget-on-revisions-to-omb-memos-on-government-use-and-acquisition-of-ai. Lynn Martin, "2025 Federal Forum Highlights: Tackling Change Head-On," Workday *Blog*, Apr. 2, 2025. https://blog.workday.com/en-us/2025-federal-forum-highlights-tackling-change-head.html.

[14] Information Technology Industry Council (ITI), "ITI Comments to OSTP RFI on an AI Action Plan," Mar. 13, 2025. p. 12. https://www.itic.org/documents/artificial-intelligence/ITIResponsetoOSTPAIActionPlanFINALv2.pdf. Amazon, "Comments of Amazon Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," Mar. 2025, p. 5. https://files.nitrd.gov/90-fr-9088/Amazon-AI-RFI-2025.pdf.

[15] Google, "Response to the National Science Foundation's and Office of Science & Technology Policy's Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," March 13, 2025, p. 8. https://blog.google/outreach-initiatives/public-policy/google-us-ai-action-plan-comments.

[16] Software & Information Industry Association, "Submission of the Software & Information Industry Association in the Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," Mar. 14, 2025, p. 11. https://www.siia.net/wp-content/uploads/2025/03/SIIA-AI-Action-Plan-Submission-031425.pdf.

[17] Linda Moore, "Comments of TechNet in Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," Mar. 13, 2025, p. 8. https://www.technet.org/media/technet-submits-comment-to-the-national-science-foundation-on-the-trump-administrations-ai-action-plan. Stephanie Sanok Kostro, "Professional Services Council Comments on Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," Mar. 18, 2025, p. 6-7. https://www.pscouncil.org/a/Resources/2025/PSC_2025Comments_NSFRFI_20250317.aspx.

[18] National Security Commission on Artificial Intelligence, "Chapter 6: Technical Talent in Government, National Security Commission on Artificial Intelligence," *National Security Commission on Artificial Intelligence Final Report*, March 2021. Gregory Smith, et. al., "Enhancing In-House U.S. Government AI Talent," RAND *Working Paper*, Mar. 21, 2025. https://www.rand.org/pubs/working_papers/WRA3882-1.html. Stephanie Sanok Kostro, "Professional Services Council Comments on Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," Mar. 18, 2025, p. 9-10. https://www.pscouncil.org/a/Resources/2025/PSC_2025Comments_NSFRFI_20250317.aspx.

[19] Deloitte AI Institute, *The Government and Public Services AI Dossier* (2021). https://www2.deloitte.com/us/en/pages/consulting/articles/ai-dossier-government-public-services.html. Chandler C. Morse, "Working to Ensure Public Policy Builds Trust and Drives Innovation Forever Forward," Workday *Blog*, Jan. 17, 2025. https://blog.workday.com/en-us/working-ensure-public-policy-builds-trust-drives-innovation-forever-forward.html.

Congress has already passed several laws to facilitate some of these goals,[20] and bipartisan efforts by both the Biden and Trump administrations have helped expand these efforts.

During his first term, President Trump issued Executive Orders 13859 and 13960, which encouraged federal agencies to reduce barriers to government acquisition and promote trustworthy use of AI.[21] The Biden administration later created Chief AI Officers in federal agencies, and the Trump administration retained those roles, illustrating bipartisan continuity in improving governmental use of AI.[22]

Pursuant to President Trump's latest major AI Executive Order 14179,[23] the Office of Management and Budget (OMB) recently issued 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 best value to taxpayers, increase quality of public services, and enhance government efficiency."[24] The OMB memo specified that agencies, "have a responsibility to identify and remove barriers to further responsible AI adoption and application, where practicable, while providing meaningful public transparency into the Federal Government's use of AI."[25]

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.[26]

BROADER AI POLICY WILL AFFECT THE QUALITY OF SERVICES AVAILABLE

Finally, Congress should recognize there is an important connection between broader AI policy and the benefits the government can gain from AI systems.

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[20] These laws include the Modernizing Government Technology Act (P.L. 115-91), the AI in Government Act (P.L. 116-260), the National AI Initiative Act (P.L. 116-283), and the Advancing American AI Act (P.L. 117–263).

[21] White House, Executive Order 13859, "Maintaining American Leadership in Artificial Intelligence," Feb. 11, 2019. https://www.federalregister.gov/documents/2019/02/14/2019-02544/maintaining-american-leadership-in-artificial-intelligence. White House, Executive Order 13960, "Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government," Dec. 3, 2020. https://www.federalregister.gov/documents/2020/12/08/2020-27065/promoting-the-use-of-trustworthy-artificial-intelligence-in-the-federal-government.

[22] Brooke Tanner, "New OMB memos signal continuity in federal AI policy," Brookings *Commentary*, May 8, 2025. https://www.brookings.edu/articles/new-omb-memos-signal-continuity-in-federal-ai-policy.

[23] White House, Executive Order 14179, "Removing Barriers to American Leadership in Artificial Intelligence," Jan. 23, 2025. https://www.whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence.

[24] White House, Office of Management and Budget, "Accelerating Federal Use of AI through Innovation," M-25-21, Apr. 3, 2025. https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-21-Accelerating-Federal-Use-of-AI-through-Innovation-Governance-and-Public-Trust.pdf.

[25] Ibid.

[26] U.S. Chamber of Commerce, "Government Digitization: Transforming Government to Better Serve Americans," Oct. 17, 2022. https://www.uschamber.com/technology/government-digitization-transforming-government-to-better-serve-americans.

Proposals to regulate AI systems are proliferating rapidly with over 1,000 AI-related bills already introduced just five months into 2025.[27] The vast majority of these are state bills and many of them propose a very top-down, bureaucratic approach to preemptively constraining algorithmic systems.[28] As 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.[29]

Such a restrictive, overlapping regulatory regime would represent a reversal of the policy formula that helped America become the global leader in personal computing, digital technologies, and the internet. Congress and the Clinton administration worked together in the mid-1990s to create a light-touch *national* market for online commerce that produced the greatest outpouring of innovation in modern history.[30] Digital entrepreneurs were mostly free to offer innovative new services and did not face a patchwork of fifty different "State Computer Commissions" or "Internet Regulatory Bureaus."

A confusing patchwork of state and local red tape will not only undermine the market for commercial services, but it will also limit the government's ability to choose from a diverse array of competitive, cost-effective options.[31]

The Computer and Communications Industry Association (CCIA) recently reported that 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, and producing higher tax receipts thanks to an AI-enabled boost in labor productivity.[32] "By pre-empting discriminatory state rules, Congress would let professional services vendors achieve economies of scale and high levels of productivity-enhancing AI adoption across the entire U.S. market, pushing their average cost—and therefore their bid prices—down," CCIA notes.[33]

Congress needs to work with the executive branch to protect the interstate marketplace and ensure a robustly innovative and competitive AI ecosystem can develop.[34] Some degree of

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[27] Kevin Frazier & Adam Thierer, "1,000 AI Bills: Time for Congress to Get Serious About Preemption," *Lawfare*, May 9, 2025. https://www.lawfaremedia.org/article/1-000-ai-bills--time-for-congress-to-get-serious-about-preemption.

[28] Dean Ball, "The EU AI Act is Coming to America," *Hyperdimensional*, Feb. 13, 2025. https://www.hyperdimensional.co/p/the-eu-ai-act-is-coming-to-america.

[29] Will Rinehart, "How much might AI legislation cost in the U.S.? *Exformation*, Mar. 19, 2025. https://exformation.williamrinehart.com/p/how-much-might-ai-legislation-cost.

[30] Adam Thierer, "The Policy Origins of the Digital Revolution & the Continuing Case for the Freedom to Innovate," R Street Institute *Commentary*, Aug. 15, 2024. https://www.rstreet.org/commentary/the-policy-origins-of-the-digital-revolution-the-continuing-case-for-the-freedom-to-innovate.

[31] Dan Castro, "Fragmented AI Laws Will Slow Federal IT Modernization in the US," *Tech Policy Press*, May 30, 2025. https://www.techpolicy.press/fragmented-ai-laws-will-slow-federal-it-modernization-in-the-us.

[32] Trevor Wagener, "A Federal Fiscal Case for Pre-Empting Discriminatory State AI Rules," CCIA *Innovation Policy*, May 27, 2025. https://ccianet.org/articles/a-federal-fiscal-case-for-pre-empting-discriminatory-state-ai-rules.

[33] Ibid.

[34] Adam Thierer, "Comments of the R Street Institute in Request for Information on the Development of an Artificial Intelligence (AI) Action Plan," R Street Institute *Regulatory Comments*, Mar. 15, 2025. https://www.rstreet.org/outreach/comments-of-the-r-street-institute-in-request-for-information-on-the-development-of-an-artificial-intelligence-ai-action-plan. Adam Thierer, "Flexible, Pro-Innovation Governance Strategies for Artificial Intelligence," R Street Institute *Policy Study* No. 283, Apr. 20, 2023. https://www.rstreet.org/research/flexible-pro-innovation-governance-strategies-for-artificial-intelligence.

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.[35]

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

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[35] Adam Thierer, Testimony before the Subcommittee on Commerce, Manufacturing, and Trade Committee on Energy and Commerce, U.S. House of Representatives, Hearing on "AI Regulation and the Future of U.S. Leadership," May 21, 2025. https://www.rstreet.org/outreach/adam-thierer-testimony-hearing-on-ai-regulation-and-the-future-of-us-leadership.