

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Ranking Member Frank Pallone, Jr.**

***Hearing on “Converting Energy into Intelligence: the Future of AI Technology, Human
Discovery, and American Global Competitiveness”***

April 9, 2025

Under normal circumstances, today’s hearing would be a bipartisan conversation on ensuring America continues to lead the race on Artificial Intelligence or AI. However, these are not normal times.

President Trump is singlehandedly destroying our economy. Since he unnecessarily instigated a global trade war, our markets are in turmoil, Americans’ retirement savings is in freefall, and prices for everyday goods are spiking. In fact, Trump’s tariffs are the largest middle class tax increase in at least 50 years on hardworking American families.

Our efforts to continue to lead the global race on AI innovation are seriously threatened when Trump has just spiked the price on materials we need to compete, such as steel, aluminum, and chips. Instead of winning the future, Trump’s economic turmoil could send American tech leadership into a tailspin.

There is no doubt that the daily chaos and uncertainty that Trump is creating is NOT good for American businesses or for the American people. Despite the unwillingness of the President and Republicans to acknowledge any of the harm their actions are having on American families, I want to address the topic of today’s hearing, because it is so important.

As we have heard in every Energy Subcommittee hearing this year, increased energy demand is coming – largely powered by data centers fueling artificial intelligence tools. I firmly believe that this increased demand can be a good thing, but it must be managed responsibly. We must make sure that AI-driven energy demand increases don’t make electricity unaffordable or unreliable for American families. We must also make sure that consumers aren’t stuck bearing the costs for infrastructure investments made necessary by private companies. And we must get a better understanding of just how much energy demand will increase in the coming years.

The Committee needs to be talking about all these things. But instead, this week, House Republicans are poised to vote on a budget resolution that would set the stage to repeal the energy tax credits incentivizing well over 90 percent of the electricity generation poised to come on to the grid. The Trump Administration and Elon Musk’s DOGE minions are also putting together a secret hit list of grants and loans that they want to cancel that would modernize our electric grid and build new energy generation. Meanwhile, yesterday afternoon Trump signed

several executive orders to allow polluting coal plants set for retirement to continue to operate, increasing prices and health risks for American families.

And just last month during his speech to a Joint Session of Congress, Trump threatened to repeal the CHIPS and Science Act, which invested \$52 billion to ensure more semiconductors are produced right here in the United States. Semiconductors are critical to the advancement of AI, but right now the overwhelming majority are produced outside the United States. The CHIPS and Science Act is boosting production of chips here and now Trump wants to repeal this law.

Republicans constantly talk about “winning the AI race,” but the actions that they are taking make it appear as if they are purposefully trying to lose the race to China.

We should also discuss the tremendous effects AI will have on our everyday lives. We have seen an explosion of AI systems and tools that have been trained on massive amounts of Americans’ personal information, without our knowledge and consent.

Right now, sufficient guardrails do not exist to protect Americans and our data from harmful AI systems that violate our privacy, provide false information, or make unjustifiable discriminatory decisions. Because many of these systems are trained on massive amounts of data Big Tech has collected on all of us, the lack of nationwide protections around what data companies can collect, use, and sell to train these AI systems should concern every American.

Clearly defined privacy and data security rules are critical to protect consumers from existing harmful data collection practices, and to safeguard them from the growing privacy threat that AI models pose.

I strongly believe that the bedrock of any AI regulation must be privacy legislation built on the principle of limiting the amount of consumer data collected, used, and shared. It is the best way to address the aggressive and abusive data collection practices of Big Tech and data brokers, ensure our children’s sensitive information is protected online, and put consumers back in control of their data.

I look forward to hearing from today’s witnesses and intend to continue to focus on developing policies that harness the transformative power of AI while safeguarding the rights and well-being of Americans.