



RESPONSES TO QUESTIONS FOR THE RECORD, SUBMITTED BY  
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QUESTIONS POSED BY  
**CHAIRMAN DARRELL ISSA**  
SUBCOMMITTEE ON  
**COURTS, INTELLECTUAL PROPERTY, ARTIFICIAL INTELLIGENCE, AND THE INTERNET**  
COMMITTEE ON THE JUDICIARY  
UNITED STATES HOUSE OF REPRESENTATIVES

FOLLOWING THE HEARING ON  
“AI AT A CROSSROADS: A NATIONWIDE STRATEGY OR CALIFORNICATION?”

SUBMITTED ON  
**DECEMBER 18, 2026**

**Questions submitted by Chairman Darrell Issa**

**Question 1: Although AI has received a great deal of attention for its potential to drive economic growth, many have also been considering what role AI will have in national security. What areas of AI hold the greatest promise for national security and defense? Follow up: What national security risks are posed by overzealous state AI regulations?**

*Response:* The R Street Institute has produced reports and congressional testimonies that have addressed these concerns in detail.<sup>1</sup> In a February article on the “Ramifications of China’s DeepSeek Moment, Part 1: AI, Technological Supremacy and National Security,” we discussed “the important relationship between a nation’s technological capabilities, global competitiveness, and geopolitical strength and security.”<sup>2</sup> We explained how “[t]his relationship has been elevated in importance with the rise of AI,” because it is “the most significant ‘general-purpose technology’ of our era.” Finally, we explained how AI is also the most important “dual-use” technology of our era, meaning that it has with both many peaceful and militaristic uses. Taken together, as we argued, this means that:

“AI and high-powered computational systems can have profound ramifications for national security in both direct and indirect ways. These technologies have an obvious direct bearing on the sophistication of a nation’s algorithmic or autonomous systems, which can be used to bolster offensive or defensive capabilities. Indirectly, a strong technology base allows a nation’s policies, institutions, and values to have greater influence on global affairs.”

It follows, therefore, that public policy—including policies established by state and local governments—will have an important bearing on national security outcomes. Political scientists and economic historians have identified the importance of a nation’s “innovation culture,” or the “attitudes towards innovation, technology, exchange of knowledge, entrepreneurial activities, business, uncertainty,” and related activities that ultimately determine how successful a nation is in fostering and sustaining lasting technological advantage.<sup>3</sup>

What sort of innovation culture is America creating for AI today?<sup>4</sup> This gets to the concern you raise in your follow-up question regarding national security risks created by overzealous state AI regulations.

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<sup>1</sup> Adam Thierer, Testimony before the House Committee on Science, Space, and Technology Hearing on “DeepSeek: A Deep Dive,” Apr. 8, 2025. <https://www.rstreet.org/outreach/adam-thierer-testimony-hearing-on-deepseek-a-deep-dive>.

<sup>2</sup> Adam Thierer, “Ramifications of China’s DeepSeek Moment, Part 1: AI, Technological Supremacy and National Security,” R Street Analysis, Feb. 3, 2025. <https://www.rstreet.org/commentary/ramifications-of-chinas-deepseek-moment-part-1-ai-technological-supremacy-national-security>.

<sup>3</sup> Maïke Didero et al., “Differences in Innovation Culture Across Europe: A Discussion Paper,” TransForm, February 2008, p. 3. <https://www.yumpu.com/en/document/read/6683782/differences-in-innovation-culture-across-europe-transform>.

<sup>4</sup> Adam Thierer, “Getting AI Innovation Culture Right,” R Street Institute Policy Study №281 (March 2023). <https://www.rstreet.org/research/getting-ai-innovation-culture-right>.

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First, the good news. The Trump administration’s “AI Action Plan” represents an important effort to create a coherent national framework for algorithmic systems so that the United States can stay ahead of China and the rest of the world in the race for computational supremacy.<sup>5</sup> The three pillars of the plan focused on accelerating AI innovation, building American AI infrastructure, and leading in international AI diplomacy and security.<sup>6</sup> The policy vision to accomplish this is rooted in the freedom to innovate. The Action Plan stressed that a “coordinated Federal effort would be beneficial in establishing a dynamic, ‘try-first’ culture for AI across American industry.”

In this way, the Action Plan understands that there is a symbiotic relationship between a strong domestic technology base and national strength on the global stage. As one analyst puts it: “U.S. national security requires a robust, innovative technology sector.”<sup>7</sup> Creating a positive innovation culture has many positive implications for a nation, especially for long-term stability and security.

Across the Atlantic, the European Union provides a clear example of what happens when nations—and in this case an entire continent—hollow out their domestic technology base by over-regulating critical sectors like energy and digital computing.<sup>8</sup> In essence, Europe is at the will of other countries when looking to access critical inputs to their domestic economy.<sup>9</sup> A negative innovation culture left the continent more vulnerable as a result.<sup>10</sup>

Unfortunately, many state and local governments across the nation today threaten to undermine the Trump administration’s coordinated Federal effort to create a positive innovation culture. Many states are considering adopting layers of parochial regulatory policies that would set back the goals set forth in the national action plan.<sup>11</sup> Worse yet, many state governments are borrowing elements of Europe’s broken regulatory model for digital markets. As we argued in separate testimony in May, this “European-ification” of American digital technology policy could have negative ramifications for the development of a robust nationwide technology base,

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<sup>5</sup> Adam Thierer, “Trump AI Action Plan Charts Pro-Innovation Path Forward to Beat China,” *R Street Analysis*, July 23, 2025. <https://www.rstreet.org/commentary/trump-ai-action-plan-charts-pro-innovation-path-forward-to-beat-china>.

<sup>6</sup> White House, *Winning the Race: America’s AI Action Plan* (July 2025). <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf>

<sup>7</sup> “Loren B. Thompson, “Why U.S. National Security Requires A Robust, Innovative Technology Sector,” Lexington Institute, Oct. 8, 2020. <https://www.lexingtoninstitute.org/why-u-s-national-security-requires-a-robust-innovative-technology-sector>.

<sup>8</sup> Tom Fairless & David Luhnow, “The Tech Industry Is Huge—and Europe’s Share of It Is Very Small,” *Wall Street Journal*, May 19, 2025. <https://www.wsj.com/tech/europe-big-tech-ai-1f3f862c>.

<sup>9</sup> European Parliament, “European Software and Cyber Dependencies,” Dec. 2025. [https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/780413/ECTI\\_ATA%282025%29780413\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/780413/ECTI_ATA%282025%29780413_EN.pdf).

<sup>10</sup> David Luhnow & Tom Fairless, “Europe Is Losing,” *Wall Street Journal*, <https://www.wsj.com/world/europe/europe-is-losing-fe179376>.

<sup>11</sup> Kevin Frazier & Adam Thierer, “No Single State Should Dictate National AI Policy,” *Governing*, Aug. 28, 2028. <https://www.governing.com/artificial-intelligence/no-single-state-should-dictate-national-ai-policy>.

which would also undermine national security if American cannot compete on equal terms with adversaries.<sup>12</sup>

**Question 2: What would the likely risks and impacts be if a state—such as California—issued regulations that barred the development of AI systems for military or other applications that are integral to the United States’ economic and strategic competition with rival or adversarial powers? Follow up: What should Congress be most focused on concerning economic and strategic competition with the People’s Republic of China in the global AI race?**

*Response:* As noted in response to your first question, a parochial patchwork of costly, confusing, and economically burdensome AI regulations could undermine the vibrancy of America’s overall technology base at a time when China is looking to accelerate theirs. It would be particularly problematic if just a handful of activist-minded large states came to dictate outcomes for the entire national AI marketplace.<sup>13</sup> Sadly, that scenario is already unfolding in the U.S. with just four large states—California, New York, Illinois, and Colorado—being responsible for roughly a quarter of all state AI-related activity in 2025, and they are passing many far-reaching laws that will negatively affect the national marketplace.<sup>14</sup>

This leads to another concern raised in your follow-up question regarding “[w]hat should Congress be most focused on concerning economic and strategic competition with the People’s Republic of China in the global AI race?” What we should be most concerned with is where tomorrow’s great technology innovators are going to come from if public policy burdens limit their potential. America has been blessed over the past three decades to enjoy technological dominance in digital technology because policymakers established exactly the sort of “try-first culture” that President Trump says is needed to foster AI competition, innovation, investment, and development.<sup>15</sup> In essence, America won the Digital Revolution by adopting smart, pro-freedom policies that enabled an entirely new class of technology companies to rise from dorm rooms, basements, and garages to become global juggernauts. This represents one of the most remarkable public policy success stories of the past half century.<sup>16</sup>

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<sup>12</sup> 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>.

<sup>13</sup> Kevin Frazier & Adam Thierer, “Blue States Plot to Defeat Trump’s AI Policy Vision,” *Substack*, Nov. 13, 2025. <https://adamthierer.substack.com/p/blue-states-plot-to-defeat-trumps>.

<sup>14</sup> Kevin Frazier, “Beyond the Border: How Extraterritorial State Laws Risk America’s AI Ambitions,” *Civitas Outlook*, Dec. 16, 2025. <https://www.civitasinstitute.org/research/beyond-the-border-how-extraterritorial-state-laws-risk-americas-ai-ambitions>.

<sup>15</sup> Adam Thierer, “Winning the AI Future: Why America Should Double Down on the Freedom to Innovate,” *R Street Institute In the News*, Aug. 28, 2025. <https://www.rstreet.org/commentary/winning-the-ai-future-why-america-should-double-down-on-the-freedom-to-innovate>.

<sup>16</sup> Adam Thierer, “The Policy Origins of the Digital Revolution & the Continuing Case for the Freedom to Innovate,” *R Street Real Solutions*, Aug. 15, 2024. <https://www.rstreet.org/commentary/the-policy-origins-of-the-digital-revolution-the-continuing-case-for-the-freedom-to-innovate>.

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Alas, many state governments are ready to abandon the policy vision that got us here. As I argued in my testimony before your subcommittee, Congress should take prompt action to safeguard crucial national interests through a baseline federal AI bill that limits state and local regulatory overreach.<sup>17</sup> A strong technology base—and our nation’s technology security—begins with clear policy that is harmonized and light-touch in orientation. A patchwork of burdensome parochial regulations will undermine this important objective.

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<sup>17</sup> Adam Thierer, “Congress Has a Fresh Chance To Address AI Governance and Federal-State Division of Powers,” R Street Institute *Real Solutions*, Nov. 20, 2025. <https://www.rstreet.org/commentary/congress-has-fresh-chance-to-address-ai-governance-and-federal-state-division-of-powers>.