

April 17, 2025

Dear Congressman Correa,

Thank you for your question following my testimony for ‘Artificial Intelligence: Examining Trends in Innovation and Competition’:

The Administration continues to announce sweeping tariffs on countries that supply essential materials and products that are fundamental to the Artificial Intelligence (AI) industry. For example, much of the hardware and electrical equipment for data centers, steel, aluminum, and key components come from other nations. Construction costs will also soar. As other countries respond, American businesses that sell equipment used in data centers abroad will also suffer.

These tariffs will disrupt the supply chain, cause market volatility, drive up costs, delay innovation, advancements, and implementation, harm American leadership in AI, and the U.S. economy generally.

Would you agree that tariffs will impede the free market, competition, and the expansion and development of the U.S.-based AI industry?

While my policy expertise does not cover international trade policy, I am in complete agreement with you that tariffs will impede the benefits of free trade and, specifically, harm the U.S. in its ability to compete for AI superiority in the global economy. I oppose tariffs on these grounds, among others.

Please find linked some resources on CEI’s position on tariffs prepared by my thoughtful colleagues who do focus on these policy issues:

https://cei.org/news_releases/new-tariffs-could-spell-major-trouble-for-global-economy-cei-analysis/

<https://cei.org/blog/definitely-maybe-tariff-relief-on-electronics/>

<https://www.foxbusiness.com/economy/why-us-china-trade-war-deescalation-should-be-new-congress-top-priority-cei>

With gratitude for your attention and interest,

Jessica Melugin

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