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Hearing on "Winning the AI Arms Race Against the Chinese Communist Party"
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Chairman Mast, Ranking Member Meeks, Members of the Committee:

It's an honor to be here with you today on a matter of such enormous consequence. I'll note at the outset that I'm here in my personal capacity as someone who thinks and cares about these issues, and I'll need to confine my testimony to that.

I've been privileged to serve our country on national security issues for most of the past 17 years, in the State Department and the White House. In that time I have worked on no issue more important than the competition between the United States and the People's Republic of China (hereafter, PRC or China).

In fact, I began my career working on this issue as a journalist in Hong Kong almost 25 years ago, where, coincidentally, my desk was down a short hallway from my Trump Administration predecessor as Principal Deputy National Security Advisor and fellow witness today, Matt Pottinger.

I arrived in Hong Kong in 2001, during what felt like a time of great promise. Two months before I landed, Beijing had been awarded the 2008 Summer Olympic Games. Two months after, the PRC was admitted to the WTO.

The story since then has become infinitely more complicated, and I need not reprise it all here. But suffice it to say, many assumptions about China's trajectory and intentions proved wildly optimistic and just plain wrong. Today, this is widely recognized, even among scholars and practitioners who disagree on many areas of policy. Over time, those assumptions were dispelled by a series of world-changing events, including: the economic dislocation of the "China shock" in the United States, the failure to materialize of widely predicted political loosening in Beijing, the intensification of unfair Chinese trade practices and theft of intellectual property, and ever greater and often brutal PRC repression and coercion in Xinjiang, Tibet, and Hong Kong, against China's neighbors in the Indo-Pacific, and against Taiwan.

Most consequentially for today's Hearing, more than a decade ago, the Chinese government embarked upon a concerted campaign to dominate the emerging technologies of the future, as well as on their supply chains—to make China less dependent on the rest of the world, while making the rest of the world more dependent on China. The PRC's Made in China 2025 initiative and related policies were a blueprint for achieving technological primacy, and now that the year 2025 has come and gone, we can see the profound and problematic impact of these Chinese policies all too clearly.

Across these areas where China's trajectory defied American expectations and challenged important U.S. interests and values, our country benefited from the emergence of a new bipartisan consensus for which the first Trump Administration deserves genuine credit, updating U.S. assumptions and strategies to make competition the hallmark of U.S. policy toward China.

The first Trump Administration took important steps to turn the tide. And the Biden Administration built on key elements of our predecessors' approach, including by treating competition with China, particularly in the military and critical and emerging technology domains, as a top national security priority. Specifically, the Biden Administration maintained tariff pressure designed to respond to China's unfair economic practices, and supplemented it in at least two important ways: (1) by working with this body to provide infusions of capital to our industrial base, with a focus on critical infrastructure, manufacturing, and foundational technologies such as semiconductors and (2) by enhancing our alliance relationships, particularly in the Indo-Pacific, as a force multiplier for American power and influence. The Biden Administration left office with China perhaps no longer on track to become the world's largest economy, America's alliance relationships stronger than they had been in many years, Beijing's regional influence diminished, and the Chinese Communist Party facing significant headwinds at home of their own making.

One of the main reasons that the United States has been able to mount this meaningful and much-needed—if still unfinished—response to the threats posed by China is sustained, strategic, and bipartisan policy work across multiple administrations and both the legislative and executive branches of government, including the important work of this Committee. Ultimate success, however, is far from secure. The stakes of U.S.-China competition have only grown higher. And the most hotly contested area determining who eventually prevails will be the intense technology competition between the world's two leading powers, and the economic and military strength that flows from it.

Alongside the policy initiatives I've already described to *promote* American advantage in core areas of technology, the first Trump and Biden administrations also sought to *protect* America's lead in key areas of this race by placing controls on the most important inputs that fuel it—advanced semiconductors and the tools needed to fabricate them. Like other areas of economic statecraft such as sanctions, export controls are not a one-off fix. They require relentless vigilance, iterative adjustment, and, when necessary, escalation. And, importantly, they are strongest when both the executive and legislative branches of government reinforce each other's actions to maximum effect.

Here, again, the first Trump Administration deserves credit for taking the first steps with our allies on export controls, and the Biden Administration built on this effort, coordinating with allies and partners to impose comprehensive multilateral restrictions on the most advanced chips and tools. The Biden Administration's controls on advanced chips and the tools to make them aimed, and I believe succeeded, at maintaining and in some areas increasing U.S. technological advantage. They came not a moment too soon, with the rapid advance of what is almost certainly the most consequential general purpose technology of our lifetime—artificial intelligence.

Perhaps the best indication that this approach generally hit the mark is that, in both public statements and private conversations, Chinese officials gradually elevated U.S. technology restrictions from what felt like a secondary concern to the very top of their grievance list, alongside core interests such as the future of Taiwan. Over time, the PRC increasingly sought to link such national security issues to other areas of mutual tension, such as our various economic and trade disputes, a linkage that the Biden Administration rejected, adhering to a principle that such national security necessities were not up for negotiation.

This is particularly true for AI chips, nearly all of which are designed and sold by American companies, and the advanced semiconductor manufacturing equipment needed to make them, where U.S., Dutch, and Japanese companies dominate the market. Together, these technologies enable the U.S.'s most important remaining advantage in the AI race—a substantial lead in compute needed to train and operate large language models. China's leaders increasingly see AI as not just one of many technology priorities but as *the* critical technology that will enable their economic and military ambitions. I am aware of no evidence that suggests China has any intention of slowing down its breakneck push to indigenize chip production (and there is abundant evidence to the contrary), even if and as it acquires more capable U.S. AI chips in the meantime. And as we hear top PRC officials and executives from leading Chinese technology companies lament the compute constraints they face, it is clearer than ever that China does not produce AI chips that can either compete or fill domestic demand.

For many reasons, now is not the time to take our foot off the gas. Now is not the time to lessen support for the most critical areas of U.S. industry, or to pull back on efforts to constrain the precise areas of technology that could enable rapid Chinese economic and military advances that would undermine key U.S. advantages. This is not a call for zero-sum competition or for wholesale decoupling across every domain or for ignoring the global challenges requiring our combined efforts.

But it is a warning against replicating the sort of complacency and over-confidence of a bygone era, only this time with far less margin for error and higher stakes. The PRC's success in this race will enable it to extend its power and influence across its region and beyond, in ways inimical to our interests, if not our way of life.

For the period ahead, this leads to a few areas of U.S. policy on which this Committee could constructively focus:

1. Preventing the erosion of, and over time enhancing, the chip and tool controls that have been painstakingly established across multiple administrations with allies and partners.

2. Rejecting PRC efforts to seek U.S. concessions on issues of national security importance, like export controls or, for that matter, changes of U.S. policy with regard to Taiwan, in the context of ongoing U.S.-China trade negotiations.

3. Maintaining alignment with the U.S. partners and allies—including the Netherlands, Japan, Republic of Korea, and Taiwan—who play strategically important roles in this critical ecosystem.

4. Addressing our own vulnerability by reducing U.S. dependency on Chinese supply chains for the key inputs of the AI industry and other important American industries, including raw inputs like critical minerals.

Thank you again for the opportunity to explore these issues with you, and I look forward to your questions.