June 2, 2025

Summary of Charles (Chip) W. Pickering, Jr's Written Testimony

The AI Race Against China: The Stakes
We are in an AI race against China comparable to the Nuclear and Space Races of decades past. Succeeding in this race is critical to our global economic leadership and national security.

The Two-Part Solution: Modernization and Federal Leadership

1. **Modernize Government with AI**

The federal government must lead by example, achieving savings and efficiency through AI adoption. We were very pleased to see this committee's work in advancing $500 million for AI modernization through the Department of Commerce in H.R. 1, the reconciliation package.

2. **A Federal Strategy is Essential**

We need national predictability — not a patchwork of state uncertainty. The interstate nature of AI systems, data flows, and infrastructure demands consistent national standards. A temporary pause on state AI laws – like the one contained in H.R. 1 – gives Congress and the Administration the space to agree on a federal strategy and is necessary to maximize savings, investment, and innovation.

Permitting Reform: Remove Barriers and Unleash Deployment
Every AI application requires reliable and high-capacity broadband networks. Policymakers should use this once-in-a-generation moment to break down existing barriers to accelerate both energy and digital infrastructure deployment.

All-Of-The-Above National AI
America's AI leadership requires full competition in every part of the technology stack. From wireless to fiber technology, to nuclear, natural gas and renewable energy, to open source and closed proprietary models. By supporting all approaches based on user needs and market demand, we unlock the full investment created by intense competition.

Building on This Committee's Rich History
This committee created the national framework and policies for the internet infrastructure and economy that guaranteed American technology leadership. We encourage the Committee to build on that legacy to create bipartisan policy for American leadership in technology, digital and energy infrastructure, and each successive generation of American commerce.

INCOMPAS and the AI Competition Center: Coordinating the National Conversation
Since 1982, INCOMPAS has championed open networks and open markets, and open competition. Through our AI Competition Center, launched in 2023, we are engaging in policy development and education for this critical era.

Conclusion: Seizing America's AI Moment
INCOMPAS, alongside our AI Competition Center, are eager to work with this subcommittee, your colleagues, and broad constituencies across the AI ecosystem to build a national AI framework.

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House Committee on Energy and Commerce — Subcommittee on Communications and Technology hearing titled *AI in the Everyday: Current Applications and Future Frontiers in Communications and Technology*

Written Testimony of Charles W. "Chip" Pickering Jr.

Chairman Hudson, Ranking Member Matsui, and distinguished members of the Subcommittee:

Thank you for the opportunity to testify before you today on one of the most consequential technology policy issues of our time: ensuring America wins the AI race through modernization and a coordinated federal approach.

I am Chip Pickering, Chief Executive Officer of INCOMPAS, the Internet and competitive networks association. INCOMPAS represents the complete competitive ecosystem — from fiber and wireless infrastructure providers to cloud platforms, AI developers, data centers, energy companies, and emerging technology startups. Crucially, we are the only national association that brings together the full AI stack — a unique coalition positioned to address America's AI future comprehensively.

Before joining INCOMPAS, I was privileged to represent Mississippi's Third District for 12 years and was proud to serve on this very subcommittee for many years. Throughout my time on Capitol Hill, I witnessed firsthand this panel's critical role in shaping the foundational policies that enabled the Internet economy we know today.

1. The AI Race Against China: The Stakes

We are in an AI race against China comparable to the Nuclear and Space Races of decades past. The critical difference is this race is funded primarily by private sector players in AI infrastructure and models. American companies and private investors directed approximately $110 billion to AI in 2024 — nearly 12 times more than China. But this lead is not guaranteed.

China has declared AI a "strategic technology" with plans to lead global AI investments by 2030, establishing a National Data Administration, and leveraging centralized planning. They will graduate almost double the number of STEM students than the United States in 2025 and are overtaking the U.S. in scientific article publications. Meanwhile, the U.S. maintains significant advantages: the world's most dynamic technology sector, unparalleled entrepreneurial culture, democratic values, and strong venture capital networks.

The imperative for continued American leadership requires immediate, coordinated action. The stakes could not be higher — AI will determine our economic competitiveness and national security for generations.

2. The Two-Part Solution: Modernization and Federal Leadership

First: Modernize Government with AI

The federal government must lead by example, achieving savings and efficiency through AI adoption. When federal agencies lag behind private sector AI adoption, inefficiencies and security vulnerabilities are created. This gap must be closed through coordinated federal action — and demonstrable adoption for purposes of public service efficiency and delivery.

We were very pleased to see this committee's work in advancing $500 million for AI modernization through the Department of Commerce in H.R. 1, the reconciliation package. It is a solid start to modernizing and securing federal information technology systems through the integration of commercial AI, automation technologies, and the replacement of antiquated public systems. This investment will:

- Improve operational efficiency and service delivery;
- Enhance cybersecurity through AI-enabled threat detection;
- Demonstrate responsible government AI deployment;
- Create pathways for innovative companies to serve government needs; and,
- Allow the public to see how AI can improve public service outcomes for them.

Second: A Federal Strategy is Essential

Beyond government operations, we must maximize efficiency of fiber, spectrum, and energy networks — the foundational infrastructure for AI success. Harnessing the intersection among these sectors is essential to form a national AI policy. We need national predictability — not a patchwork of state uncertainty. A patchwork of state frameworks at this time would be imprudent. The interstate nature of AI systems, data flows, and infrastructure demands consistent national standards. Moreover, our global aspirations mean we must approach this endeavor as a national priority.

A temporary pause on state AI laws – like the one contained in H.R. 1 – gives Congress and the Administration the space to investigate, publish findings, and agree on a federal strategy that integrates energy, education, investment, national security, workforce development, and access. This moratorium is needed to maximize savings, investment, and innovation.

Consider the real-world impacts of regulatory fragmentation:

- The healthcare innovator who dreams of building an AI-powered product to level the playing field cannot navigate 50 different state requirements for medical AI applications.
- Ambitious educators trying to learn and adopt best practices can benefit from nationally consistent frameworks for AI in education, and investments in AI R&D efforts at leading academic institutions.
- The farmer deploying AI to predict crop yields and engage in multistate commerce faces uncertainty about data use and algorithmic transparency requirements.
- Data center operators building critical infrastructure for American AI developments face uncertainty about varying state requirements for AI governance and data processing.
- Communications providers delivering the high-speed connectivity essential for AI applications cannot efficiently deploy services across multiple jurisdictions with inconsistent AI frameworks.
- Advanced energy companies developing next-generation nuclear technologies to power AI infrastructure need consistent federal frameworks for both energy and AI policy coordination.

This is why federal leadership is essential. Just as this subcommittee provided extraordinary leadership for the Internet revolution in the 1990s, creating bipartisan, durable frameworks, we need that same approach for AI today.

3. Permitting Reform: Remove Barriers and Unleash Deployment

Universal broadband access is a prerequisite to universal AI access. Every AI application — from training large language models to deploying autonomous systems — requires reliable

and high-capacity broadband networks. Policymakers should use this once-in-a-generation moment to break down existing barriers to fast and affordable deployment. We need comprehensive permitting reform across deployment methods — from fiber to fixed wireless, to satellite — that accelerates both energy and digital infrastructure deployment.

Fiber Networks

INCOMPAS member companies are investing billions in fiber networks that provide the high-speed, low-latency connections essential for AI applications. These networks must reach beyond metropolitan areas, and into rural and underserved communities that risk being left behind in the AI economy. AI should not be a bicoastal story — it must be a national one.

However, deployment faces persistent barriers that directly impact America's AI competitiveness, including:

- Restrictions to rights-of-way, poles, and conduits;
- Needlessly lengthy permitting processes that can delay deployment by months and, in some cases, years;
- Imposition of unreasonable, excessive, or arbitrary fees; and,
- Anticompetitive, exclusive arrangements that limit access to residential and commercial multiple tenant environments.

For our domestic cohesion and our geopolitical strength, we need every state to have the tools they need to compete. This isn't just about faster Internet — it's about ensuring every community can participate in the AI economy and that America has the infrastructure foundation to compete globally.

Spectrum Management

AI applications increasingly require real-time data processing and edge computing, making wireless connectivity, including mobile, fixed wireless, and satellite services, essential. To ensure that wireless networks can accommodate AI's capacity requirements, Congress must take action, including reinstating the Federal Communications Commission's spectrum authority as called for in H.R. 1. Additionally in H.R. 1, Congress is also requiring NTIA and the FCC to identify 600 megahertz of spectrum for non-federal, licensed use in the Reconciliation package, which is another important signal that this country intends to optimize its spectrum resources to achieve a digital and AI-enabled future.

Congress must also lead in encouraging federal agencies to adopt robust spectrum sharing frameworks that make more intensive use of this limited resource. As part of this effort, agencies like the FCC and NTIA should promote the utilization of AI in spectrum management. AI can dynamically optimize spectrum use and allow government and private sector engineers to detect and mitigate interference automatically, creating opportunities for maximizing use of spectrum bands.

Moreover, AI technologies and services promise cutting-edge breakthroughs that the government should harness to support the massive growth in IoT devices, autonomous vehicles, and smart infrastructure. This requires both technological innovation and regulatory flexibility that only federal coordination can provide.

Energy Infrastructure

AI cannot survive without American energy — and lots of it. The International Energy Agency (IEA) estimates that global electricity consumption from data centers, AI development, and cryptocurrency could double by 2026. U.S. electricity demand is expected to rise at a 2.4% compound annual growth rate between 2022 and 2030, with data centers accounting for about 90% of that growth.

This critical juncture presents us with an unmatched opportunity: America can take advantage of two major technology revolutions occurring simultaneously. This is an opportunity to holistically revitalize our energy mix, to make it more resilient and secure at the grid level, and to diversify our sources and deliver for the long term. The competition for AI dominance may actually expedite the energy transition in ways that reindustrialize our economy, provide economic opportunity across the country, and nurture a new era of energy abundance and strategic autonomy.

America will need deployment across natural gas, nuclear, and renewable sources. Nuclear energy, which supplied 48% of U.S. carbon-free electricity last year, offers stable, reliable baseload power essential for AI operations. Natural gas will continue to be important, but alternative renewable sources can lead growth in U.S. power generation in the next decade if we enable them. American AI power is inextricably linked to the broadest, most resilient energy mix possible — there is no other way.

We need policies that:

- Accelerate energy deployment through streamlined permitting;

- Modernize grid infrastructure with AI-enabled management systems;
- Support diverse energy sources, including advanced nuclear technologies; and,
- Enable behind-the-meter solutions for data centers and AI facilities.

4. All-Of-The-Above National AI

America's AI leadership requires full competition in every part of the technology stack — from wireless to fiber technology, to nuclear, natural gas, and renewable energy, to open source and closed proprietary models. This balanced approach recognizes that different AI tools serve different purposes, and American leadership requires excellence across the entire spectrum. By supporting all approaches based on user needs and market demand, we unlock the full investment created by intense competition.

Our approach is rooted in core American values that have driven decades of technological innovation: universal service, a broad marketplace of participants, openness, and competition. This approach:

- Creates competitive dynamics that drive innovation;
- Provides choice and flexibility for users and developers;
- Maximizes investment opportunities across different AI approaches; and,
- Ensures no single approach or company can dominate the AI ecosystem.

5. Building on This Committee's Rich History

This committee created the national framework and policies for the Internet infrastructure and economy that guaranteed American technology leadership. History provides our guide. The

Internet policies developed in this committee during the 1990s succeeded because they were bipartisan, balanced, and flexible. They promoted competition, innovation, and investment, while addressing legitimate concerns about security and consumer protection.

This committee's track record proves what's possible. The Internet Tax Freedom Act of 1998 — that "temporary" moratorium renewed repeatedly on a bipartisan basis — prevented a patchwork of state internet taxes from strangling what became today's $5 trillion digital economy. Similarly, this committee's pioneering bipartisan spectrum auctions strategy created a market-based approach that generated over $200 billion while establishing America's wireless leadership. These frameworks unleashed private sector innovation while providing regulatory certainty — unleashing millions of jobs and securing America’s geopolitical leadership.

The federal framework that is unlocked by a similar temporary moratorium follows this proven playbook: a temporary federal moratorium that creates space for thoughtful and durable national policy. Just as ITFA prevented 50 different state tax regimes from fracturing the digital economy, comprehensive national policy formation prevents 50 different state AI frameworks from fragmenting our national competitiveness.

Regarding this committee’s jurisdiction specifically, this national approach creates both the space and incentive for the Energy and Commerce Committee to perform its historical role: creating bipartisan policy for American leadership in technology, digital and energy infrastructure, and each successive generation of American commerce. The lessons from ITFA and spectrum policy show us the way forward — across the aisle.

6. INCOMPAS and the AI Competition Center: Coordinating the National Conversation

Since 1982, INCOMPAS has championed open networks and open markets, and open competition. Through our AI Competition Center, launched in 2023, we are engaging in policy development and education for this critical era. This process has included:

- Gathering industry and academic leaders on the cutting edge of AI development to serve on our Advisory Council to provide insight based on their respective expertise;
- Working with our members to understand how they deploy AI systems in their own businesses;
- Engaging legislators and their staff on the transformational potential of AI, building a broad coalition of voices;
- Convening policy groups across the critical areas of AI development — namely workforce evolution and resilience, American energy security and leadership, and the power and potential of proprietary and open source models; and,
- Publication of one of the first national policy frameworks for this groundbreaking technology.

Our membership reflects the comprehensive approach needed for American AI leadership. What we need now is the policy framework to unleash that potential.

Conclusion: Seizing America's AI Moment

America has the tools to lead — the most innovative companies, the most dynamic markets, the culture of striving, and the most adaptable institutions in the world. From the data center operators building critical infrastructure to the communications providers connecting our communities, from the venture capital firms funding breakthroughs to the energy innovators

developing next-generation power systems — we have everything needed for success except the policy framework to unleash that potential.

INCOMPAS, alongside our AI Competition Center, are eager to work with this subcommittee, your colleagues, and broad constituencies across the AI ecosystem to build that framework. We will continue to be engaged constructively and substantively as things progress to the Senate and beyond. The foundation you lay today will determine America's AI future. Like putting man on the Moon, AI — powered by vast energy and communications networks across America — requires comprehensive American political leadership and ambition. Let's build it together. And let’s engage with the same bipartisan spirit, sense of shared purpose, and strategic vision that made us the leader of the Internet age.