

Testimony of Mr. Marc Bhargava, Managing Director, General Catalyst before the House of Representatives, Energy and Commerce Committee, Subcommittee on Commerce Manufacturing and Trade

Wednesday, May 21, 2025

Chairman Bilirakis, Vice Chairman Fulcher, and Ranking Member Schakowsky, and Members of the Subcommittee:

Thank you for the opportunity to testify today. My name is Marc Bhargava, and I'm a Managing Director at General Catalyst, "GC" for short, and we invest in, and partner with, leading entrepreneurs to build toward global innovation and applied artificial intelligence. We are committed to investing in an array of entrepreneurs, particularly in transformative technologies like artificial intelligence. A small sampling of the 800+ startups that we have backed include Airbnb, Stripe, Snap, Canva, Anduril, Circle, Applied Intuition, Pacific Fusion, Commure, and others.

At General Catalyst, I co-lead our Creation strategy, which is focused on incubations as well as transformations and AI enabled roll ups. I also focus on early stage investing, as well as building out the global seed strategy. Additionally, I contribute to GC's expanding AI efforts. Prior to General Catalyst, I spent years as a founder-operator with an emphasis on new fintech technologies and Artificial Intelligence. The company I founded helped institutional investors responsibly invest in the digital asset space. I am also an angel investor and work closely with start-up founders on sales, distribution, and fundraising. Having experienced many sides of the innovation ecosystem, I have unique perspectives, on behalf of GC to offer the Subcommittee, today.

AI is not only shaping the future of our economy—it's shaping the fabric of our society. From healthcare to national security to education, it is embedded in systems that affect every

American. As investors, we work closely with founders at the earliest stages of company-building, and we have a responsibility to ensure that the technologies we help fund are aligned with American values, are safe to use, and do good for the world.

The United States has a unique opportunity—and obligation—to lead in defining global norms around AI, especially as the AI race between China and the US intensifies. I believe the US playbook on AI with American ingenuity, creativity, and cutting-edge innovation—with the right policies in place—will always outpace the Chinese.

But as we seek to lead, we must strike a careful balance: we need a governance framework that promotes safety, protects fundamental rights, and is transparent, while also enabling innovation, investment, and global competitiveness.

Inflexible or premature regulation risks pushing innovation offshore and weakening our national and economic security. Alternatively, a complete absence of guardrails could lead to real societal harm and erode public trust.

We deeply understand these dualities, and to accomplish these goals, we believe a national regulatory framework is preferable to a patchwork of state policies.

At General Catalyst, we made it a routine part of our due diligence process to assess ethical and operational risks in AI companies before we invest. We also believe in the importance of collaborating closely with government, which is why we launched the General Catalyst Institute last year to bring the perspectives of our founders closer to you, the policymakers, and to be a resource for hearings just like today's. As such, we advocate for approaches that are interoperable, transparent, and developed collaboratively across government, industry, and civil society. Since these technologies are so impactful and fast-moving, it is incumbent upon GC, as

a company, to adhere to those principles - which are enduring, even as the technology around us moves at a break-neck pace.

As we are seeing with regulatory frameworks throughout the world - prescriptive language can sometimes cause unintended harm. This is why we believe that as we help foster small and emerging innovators - our operational principles are the bedrock to the global AI playbook.

To help the government find the right balance, regulatory certainty at the federal level is the single-most important variable. We have seen where government inaction can cause confusion and slow innovation. Thirty years ago, as the world was introduced to a new concept called the World Wide Web, States enacted a patchwork of laws to address issues related to privacy and fraud in the absence of a federal framework. It was Congress's work— beginning in this Subcommittee— to adopt the Telecommunications Act of 1996 that set-in place the national framework needed to allow for the growth of the internet as we know it today.

As this Committee seeks to once again develop the US playbook for AI for the world to follow, I would like to offer a few concrete recommendations:

1. Investors can and should play a pivotal role by demanding transparency, bias mitigation, and alignment with ethical standards before product-market fit.
2. Frameworks like model cards, algorithmic audits, and red-teaming should be embedded early - as an industry best practice.
3. The government cannot govern AI alone. Industry, academia, and civil society must co-create standards and stress-test systems together.
4. Sandboxes, pilot programs, and public R&D investment are critical tools to have government support.

I look forward to sharing how the innovation ecosystem can be a partner in shaping an AI playbook that reflects American values—and leads the world.

Thank you, and I look forward to your questions.