

Congress Should Preserve American Al Innovation

Leading American tech companies play a key role in boosting the American economy and making the U.S. more competitive on the world stage. Over the years, U.S. companies have delivered new technologies that have improved the lives of everyday Americans, made business more efficient, and boosted critical cybersecurity infrastructure.

Advancements in AI are just the latest innovations made by U.S. tech companies, yet, some lawmakers insist on pushing legislation, like the American Innovation and Choice Online Act (AICOA), that would break up some of America's most successful companies - the same businesses that are investing in cutting edge technologies like AI and raising the game for American innovation.

America's Robust Private Sector Is Driving Al:

According to recent research, <u>63%</u> of American companies report that they are prioritizing AI research. These investments in new technologies like AI are critical for the United States' to maintain its position as the global leader in innovative emerging technologies.

- The competitive environment of the American tech sector has encouraged investment and agility in artificial intelligence development.
- Leading U.S. tech companies like <u>Google</u> and <u>Amazon</u> have invested heavily into AI research to boost American competitiveness.
 - Data provided by Stanford University in its recently released <u>AI Index Report</u> shows that Google and Amazon are two of the world's leading institutions in AI investment and development.
 - Google spent over <u>\$40 billion</u> on research and development in 2022. That figure is expected to grow to <u>\$53 billion</u> in coming years.
 - Amazon's research and development expenses for 2022 were over \$73 billion.
- These are particularly necessary given the interest of the Chinese Communist Party in this technology. The CCP has reportedly prioritized AI in recent years and <u>dramatically</u> <u>increased</u> its investments in AI research and development.
- In addition to advancements in AI made by leading U.S. tech companies, a growing



number of startup companies are innovating and investing in AI technology. Legislation threatening to curb research and development in AI could hurt that progress.

American Investments In AI Bolster Our Economy:

New advancements in AI driven by the American tech sector present a major opportunity for the United States.

- Investments in AI technology will boost the economy.
 - Recent <u>data</u> shows that AI could increase the global GDP by as much as \$13 trillion by the end of the decade and significantly <u>lift</u> productivity.
- Advancements in AI made by leading American tech companies provide other businesses with critical tools.
 - Google and Amazon Web Services offer a range of AI services that businesses can use to increase efficiency, and both companies have made technology open source so that other businesses and startups can access it and build on their progress.
- AI has enormous potential.
 - Innovative generative artificial intelligence has already led to new breakthroughs that have improved <u>health care</u>, <u>emergency management</u>, and <u>financial inclusion</u> for underserved communities. As innovative American tech companies continue to develop improved AI, the possible uses for this technology will grow.
- AI is driving U.S. competitiveness.
 - The United States' competitors, such as China, have realized the importance of developing new high-powered AI technology. However, thanks to innovative American tech companies, the U.S. is able to maintain its competitive edge on the global stage.

Congress Should Not Cripple America's Competitive Edge:

It's more important than ever that Washington gets it right when it comes to AI. Nations around the world are eager to either meet or surpass America's achievements in this area to date.

Congress should preserve our competitive edge, not jeopardize it.

• Congress should be cautious when crafting legislation that could curb companies' abilities to invest in AI.



• While the United States currently leads the world in AI innovation, bills targeting the companies developing new technologies, like AICOA, could hurt U.S. innovation. Currently, investments in research and development made by the U.S. government lag behind the funding our foreign rivals have put into developing new technology. Legislation like AICOA, which mirrors proposed protectionist E.U. laws and regulations, targets private industry, which today is responsible for 75% of all U.S. research and development.

Harmful bills targeting leading American tech companies could hurt Americans.

 Bills like AICOA contain harmful provisions that would allow bad actors to exploit new AI technology. AICOA's forced disclosure provisions, for example, would give malicious actors access to sensitive data that would open Americans to cybersecurity threats.

Government regulators should avoid taking actions that would limit American innovation.

Some antitrust regulators at the FTC and DOJ have <u>claimed</u> that top American companies have slowed down the development of AI. However, successful companies like Google and Amazon have invested billions of dollars into tech research and development and have been responsible for critical breakthroughs in AI technology, both through their own investments and by making key technologies open source and available to the public, that have made it possible for the United States to maintain its competitive edge on the world stage.

What the experts are saying:

Top industry experts agree that top American tech companies have a critical role to play in the advancement of AI technology.

• Brandon Pugh, R Street Institute

- o While artificial intelligence (AI) is not new, Google Bard, Microsoft Bing, ChatGPT and similar products have made the technology accessible and understandable to the average consumer. However, concerns over <u>privacy</u> and <u>security</u> have led to calls for a pause on <u>AI development</u> and an interest in <u>heavy regulation</u>. While these risks should be addressed, the overall benefits of AI, machine learning and <u>large language models</u> to cybersecurity and national security cannot be overlooked. Instead, policymakers should consider how the United States can fully leverage the technology in these spaces. There are three direct applications of said technologies on the individual, system and national level.
- Klon Kitchen, American Enterprise Institute



...(T)he technologies that are essential for securing American people and interests—such as artificial intelligence (AI), quantum computing, and robotics—are overwhelmingly being developed in the private sector, which accounts for about 75% of total US research and development spending.
 Indeed, by the end of 2022, Alphabet, Amazon, Apple, Facebook, Intel and Microsoft spent a combined total of over \$215 billion on research and development (R&D). The Pentagon's R&D budget request for that same year was \$112 billion...

• Josh Landau, Computer & Communications Industry Association (CCIA)

"While governments across the globe are cautiously monitoring AI or already crafting regulations for it, people and businesses across all sectors are making leaps and bounds in AI applications, from <u>AI chatbots</u>, to integrations in <u>Google Search</u> and <u>Microsoft Bing</u> intended to increase search efficiency, to its use in detecting equipment condition to <u>control wildfire risk</u>…"