Chip Pickering
Chief Executive Officer
INCOMPAS
May 19, 2025

The Honorable Brett Guthrie
2161 Rayburn House Office Building
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Guthrie,

As the Energy and Commerce Committee continues its critical work on artificial intelligence policy and legislative priorities INCOMPAS strongly supports section 43201 in the Budget Reconciliation package that appropriates $500 million to the Department of Commerce for government-wide AI implementation and includes a temporary moratorium on burdensome state laws.

INCOMPAS members represent both sides of the data center. They are building networks of the future, transmission and energy sources to fuel the AI boom, and creating the over the top applications that have catalyzed America's technology dominance. Our all of the above approach to connectivity, energy, and AI has solidified our continued mission of promoting policies that encourage competition and innovation. That is why we wholeheartedly support section 43201.

The inclusion of section 43201 in the reconciliation package is consistent with both the letter and spirit of the Congressional Budget Act of 1974. While originally designed as a fast-track mechanism for making end-of-year fiscal adjustments, reconciliation has evolved to become one of the primary legislative tools for advancing significant national policy—on everything from the Tax Code to healthcare to student loans.

Importantly, the Byrd Rule serves a critical role in preserving the budgetary focus of reconciliation, and we recognize it as an important procedural safeguard. However, this item clearly meets the test: it includes a significant direct appropriation—$500 million to deploy advanced AI systems across the federal government. This investment is not only fiscal in nature but transformative in effect. For context, this appropriation is nearly 5% of the Department of Commerce's entire annual budget, demonstrating the meaningful scale and scope of the initiative.

The temporary moratorium on state AI laws is a pragmatic and narrowly tailored provision. It is not a permanent preemption. Rather, it provides a critical window of up to 10 years—or until Congress enacts federal legislation—to avoid a fragmented legal environment that could stifle innovation and implementation of AI systems at the federal level. This moratorium is specifically designed to protect ongoing efforts to develop foundational AI models while allowing states to continue regulating many narrower applications including clamping down on criminal activity and protecting children online.

It is not only permissible but prudent for Congress to act in this manner. The patchwork of state legislation emerging across the country poses a real threat to unified federal action, and we cannot afford a delay. The United States is in a global race with China and others to lead in the development of next-generation AI systems. This provision ensures we remain competitive, while Congress deliberates on a comprehensive and harmonized federal framework.

Finally, while the Congressional Budget Office is limited in its ability to capture long-term operational savings, the efficiencies gained by deploying modern AI systems across government are expected to yield hundreds of billions of dollars in savings. This provision lays the foundation for that transformation.

We commend the Committee's leadership and vision on this issue. Your inclusion of section 43201 is both fiscally sound and strategically necessary. We urge its continued support.

Sincerely,
Chip Pickering
Chief Executive Officer
INCOMPAS