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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

June 8, 2026

Senator Tim Scott  
Chairman  
Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Senator Scott,

I appreciate that the Committee will be holding this week's hearing on "AI and the American Dream: Promoting Innovation, Affordability, and American Dominance." It is essential that the Senate and the public hear from experts, industry, and advocates about the significant economic and national security implications of artificial intelligence (AI) – a technology that will have profound impacts on Americans' lives. But the hearing will be missing several key witnesses necessary for the Committee to fulfill its oversight and legislative responsibilities. We need to hear directly from Trump Administration officials on the President's approach to regulating AI companies, as well as the Administration's failure to meaningfully oversee the industry. I therefore urge you to hold an additional hearing on AI policy as soon as possible with key Administration officials, including Secretary of the Treasury Scott Bessent and Secretary of Commerce Howard Lutnick.

In recent weeks, it has grown increasingly clear that President Trump and his Administration are failing to adequately address the significant threats that AI poses to the American public.

First, over the past few months, Americans have seen their energy bills soar as power-hungry AI data centers send electricity costs through the roof.<sup>1</sup> American families are paying these higher costs in spite of the White House's announcing a voluntary commitment from AI companies in March not to pass on the cost of electricity price hikes from data centers to consumers.<sup>2</sup> While the White House has touted this pledge as "historic,"<sup>3</sup> Americans' energy bills tell a different story: AI companies are forcing consumers to subsidize the cost of running their models. Trump

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<sup>1</sup> Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, and Naureen Malik, September 29, 2025, <https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/>; Environmental and Energy Study Institute, "Data Center Power Demands Are Contributing to Higher Energy Bills," Miguel Yañez-Barnuevo, February 24, 2026, <https://www.eesi.org/articles/view/data-center-power-demands-are-contributing-to-higher-energy-bills>.

<sup>2</sup> White House, "Fact Sheet: President Donald J. Trump Advances Energy Affordability with the Ratepayer Protection Pledge," March 4, 2026, <https://www.whitehouse.gov/fact-sheets/2026/03/fact-sheet-president-donald-j-trump-advances-energy-affordability-with-the-ratepayer-protection-pledge/>.

Administration officials must explain to the American people why they are footing the bill for the AI giants.

Second, the Trump Administration issued a long-awaited executive order (EO) on AI last week in response to the growing cybersecurity risks posed by advanced AI models like Claude Mythos.<sup>4</sup> The EO, however, falls short of meaningfully protecting our financial system from these risks. Rather than developing strict, mandatory oversight standards for AI companies, it instead establishes a model-review process that is entirely optional—leaving AI companies free to ignore the Administration should these voluntary processes become inconvenient. Meanwhile, Secretary Bessent has pursued a dangerous deregulatory agenda that is making our banks more vulnerable to AI-enabled cyberattacks and our financial system more vulnerable to an AI-related shock.<sup>5</sup> Given that Secretary Bessent reportedly played a leading role in drafting the EO,<sup>6</sup> the American people deserve to hear directly from him on why he is giving leading AI companies a free pass at the expense of Americans' safety and security.

Third, AI companies are on pace to spend trillions of dollars in the coming years on chips, servers, and other data center infrastructure needed to power AI services.<sup>7</sup> While most of these companies have historically funded AI investments using their own profits or equity offerings, they are increasingly turning to complex and opaque debt markets to borrow staggering sums of cash.<sup>8</sup> Secretary Bessent, as head of the Financial Stability Oversight Council (FSOC), needs to answer questions about how the Administration will address the risk building in our financial system, prevent a potential crash, and ensure American families do not have to bailout Big Tech billionaires.

Finally, the Commerce Department's mismanagement of U.S. export controls has resulted in loopholes that may have allowed the most advanced AI chips to flow to companies with ties to China's military.<sup>9</sup> On May 31, the Commerce Department quietly issued a notice on its website that it would enforce a license requirement for advanced chips sold to entities headquartered in

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<sup>3</sup> White House, "President Trump Secures Historic Commitment to Keep Electricity Costs Down Amid Data Center Boom," March 5, 2026, <https://www.whitehouse.gov/releases/2026/03/president-trump-secures-historic-commitment-to-keep-electricity-costs-down-amid-data-center-boom/>.

<sup>4</sup> White House, "Promoting Advanced Artificial Intelligence Innovation and Security," June 2, 2026, <https://www.whitehouse.gov/presidential-actions/2026/06/promoting-advanced-artificial-intelligence-innovation-and-security/>.

<sup>5</sup> Letter from Ranking Member of the Banking, Housing and Urban Affairs Committee Elizabeth Warren to Secretary of the Treasury Scott Bessent, June 3, 2026, [https://www.banking.senate.gov/imo/media/doc/20260603\\_letter\\_to\\_bessent\\_re\\_financial\\_sector\\_cybersecurity3pdf.pdf](https://www.banking.senate.gov/imo/media/doc/20260603_letter_to_bessent_re_financial_sector_cybersecurity3pdf.pdf).

<sup>6</sup> Wired, "This Is How Trump Finally Signed the AI Executive Order," Hugo Lowell and Maxwell Zeff, June 3, 2026, <https://www.wired.com/story/this-is-how-trump-finally-signed-the-ai-executive-order/>.

<sup>7</sup> LA Times, "Wall Street eyes AI bubble as skepticism grows over trillion-dollar bets," Jeran Wittenstein, December 15, 2025, <https://www.latimes.com/business/story/2025-12-15/wall-street-eyes-ai-bubble-skepticism-grows-over-trillion-dollar-bets>.

<sup>8</sup> Letter from Ranking Member of the Banking, Housing and Urban Affairs Committee Elizabeth Warren to Secretary of the Treasury Scott Bessent, January 22, 2026, [https://www.banking.senate.gov/imo/media/doc/20260122\\_final\\_letter\\_to\\_secretary\\_bessent\\_re\\_ai\\_debt.pdf](https://www.banking.senate.gov/imo/media/doc/20260122_final_letter_to_secretary_bessent_re_ai_debt.pdf).

<sup>9</sup> Bloomberg, "Trump Officials Worry US Loophole Let Chinese Firms Buy Nvidia Blackwell Chips," Mackenzie Hawkins, June 5, 2026, <https://www.bloomberg.com/news/articles/2026-06-05/trump-officials-worry-us-loophole-let-chinese-firms-buy-nvidia-blackwells>.

China.<sup>10</sup> This quiet clarification was actually a major bombshell: According to Bloomberg, the guidance shows that “potential loopholes may have allowed Chinese companies like Alibaba Group Holding Ltd. to legally buy servers with Nvidia Corp.’s most advanced AI chips in most countries outside of China itself.”<sup>11</sup> Secretary Lutnick should appear before the Committee to testify about the national security implications of his total mismanagement of the Commerce Department.

The decisions being made today about artificial intelligence will shape Americans’ lives for generations. They are too consequential to be left to voluntary pledges and quiet notices posted on agency websites. Americans deserve to hear directly from the officials charged with protecting them. I therefore urge you to hold a hearing with Administration officials on President Trump’s AI policies without delay.

Sincerely,



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Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs

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<sup>10</sup> Bureau of Industry and Security, “Guidance Regarding Enforcement of License Requirements for Advanced Computing Items for Entities Headquartered in Country Group D:5 and Macau,” May 31, 2026, <https://www.bis.gov/media/documents/bis-guidance-may-31-2026.pdf>.

<sup>11</sup> Bloomberg, “Trump Officials Worry US Loophole Let Chinese Firms Buy Nvidia Blackwell Chips,” Mackenzie Hawkins, June 5, 2026, <https://www.bloomberg.com/news/articles/2026-06-05/trump-officials-worry-us-loophole-let-chinese-firms-buy-nvidia-blackwells>.