

United States Senate

WASHINGTON, DC 20510

May 19, 2025

The Honorable Howard Lutnick
Secretary
Department of Commerce
1401 Constitution Ave. NW
Washington, D.C. 20230

The Honorable Marco Rubio
Secretary
Department of State
201 C Street, NW
Washington, D.C. 20520

Dear Secretary Lutnick and Secretary Rubio,

We write with grave concern regarding President Donald Trump’s so-called “chip deals” with the Kingdom of Saudi Arabia and the United Arab Emirates (UAE). These deals greenlight the sale of sensitive U.S. technology in exchange for illusory promises of foreign investment. If completed, they will present an immediate threat to U.S. national security, and over the long term, may irreversibly erode U.S. leadership in artificial intelligence (AI) by offshoring American technology and jobs. We strongly urge you to reconsider.

During his trip to the Middle East this week, the President announced a series of deals that involve selling millions of the world’s most advanced chips to Saudi Arabia and the UAE. These deals come on the heels of last week’s decision to rescind the AI Diffusion Rule,¹ which imposed limits on the number of high-end AI chips that could be shipped to these countries. Taken together, these announcements amount to a breathtaking rollback of export control restrictions that have helped maintain the U.S. technological edge to ensure the United States wins the AI race and prevent our adversaries from accessing our most sensitive technologies.

Unsurprisingly, such a massive rollback of national security guardrails is a bad deal for the United States. The agreements outlined in Riyadh and Abu Dhabi will allow the two countries to build some of the world’s most powerful AI supercomputers in the next few years, helping them rival the United States in terms of infrastructure for AI computing. AI infrastructure plays a key role in the development of powerful AI systems that can be used to create bioweapons, develop advanced military systems, engage in offensive cyber operations, and supercharge mass surveillance. These are dangerous capabilities – precisely why the Biden Administration imposed export licenses on advanced chips, with a particular focus on preventing the PRC from exploiting U.S. technology. The President is now recklessly undermining these controls.

Saudi Arabia and the UAE are important regional partners. Nonetheless, we should ensure any deal include important guardrails on human rights and potential downstream exportation of such technology to our adversaries in Russia and the PRC. In recent years, the two countries have partnered with Huawei, conducted joint exercises with the People’s Liberation Army, and built relationships with PRC military universities. Given Russia and the PRC’s coordinated effort to

¹ The Wall Street Journal, “U.S. Scraps ‘AI Diffusion’ Rule in Revamp of Biden-Era Chip Curbs,” Sherry Qin, May 14, 2025, <https://www.wsj.com/tech/ai/u-s-scraps-ai-diffusion-rule-in-revamp-of-biden-era-chip-curbs-f5d4ebf5>.

gain strongholds in the Middle East, the PRC military could gain access to Saudi and UAE AI infrastructure and use it to train models that will be deployed to threaten American troops stationed abroad or the U.S. homeland.

These deals will also come at the expense of U.S. startups that need access to advanced chips to seed the next generation of innovation in AI. There is currently a shortage of AI chips in the United States.² Chipmaker Nvidia has warned that the company's latest Blackwell processor is backlogged until the end of 2025,³ and even the most well-resourced players like OpenAI are struggling to get hold of enough advanced chips. Fulfilling the orders announced in Riyadh and Abu Dhabi this week will likely require deprioritizing U.S. customers. At a time when many U.S. companies need to wait years to acquire cutting-edge AI hardware, we find it deeply troubling that the Trump Administration is prioritizing making our latest technology available to Saudi Arabia and the UAE over U.S. start-ups and small businesses.

Over the long term, the consequences may be even more dire. Without clear protections, these deals incentivize companies to offshore data infrastructure to the highest bidder around the world—a game the Saudis and Emiratis are eager to play. We should be prioritizing American leadership in AI, making sure American technology prioritizes the buildout of this critical industry here at home, not abroad, and certainly not without any guardrails to protect our national security. The President is doing the opposite—and he is getting precious little in return.

Despite the Gulf states promising trillions of dollars in direct investment in the United States,⁴ and despite the areas of shared interest when it comes to regional stability, the President only secured a few hundred billion dollars during his trip this week, and news reports suggest that number is heavily inflated.⁵ The real benefits accrued through these deals appear to be to President Trump personally, whose net worth is growing rapidly after Saudi and Emirati funds bought his family's cryptocurrencies in recent weeks.⁶

We support sensible commerce with other countries that drives U.S. economic growth and sustains our technological leadership. Unfortunately, these deals are not that. We strongly urge you to reconsider them.

Sincerely,

² Tech Crunch, "OpenAI CEO Sam Altman says the company is 'out of GPUs,'" Kyle Wiggers, February 27, 2025, <https://techcrunch.com/2025/02/27/openai-ceo-sam-altman-says-the-company-is-out-of-gpus/>.

³ Eweek, "NVIDIA Blackwell AI Chip Shortage: Sold Out for Next 12 Months Due to Skyrocketing Demand," Drew Robb, October 25, 2024, <https://www.eweek.com/news/nvidia-blackwell-ai-chip-shortage/>.

⁴ Bloomberg, "Trump and MBS Tout \$1 Trillion Pledge as Details Remain Elusive," Jennifer Dlouhy, Hadriana Lowenkron, Kate Sullivan, and Fiona MacDonald, May 13, 2025, <https://www.bloomberg.com/news/articles/2025-05-13/us-says-it-secured-600-billion-in-investments-from-saudi-arabia>; Reuters, "UAE commits to \$1.4 trillion US investment, White House says," Steve Holland and Federico Maccioni, March 21, 2025, <https://www.reuters.com/world/after-trump-meeting-uae-commits-10-year-14-trillion-investment-framework-us-2025-03-21/>.

⁵ New York Times, "Trump Cites \$600 Billion in Saudi Deals, but Real Figure Appears Lower," Luke Broadwater, Vivian Nereim, and Jonathan Swan, May 13, 2025, <https://www.nytimes.com/2025/05/13/world/middleeast/trump-saudi-economic-forum.html>

⁶ Letter from Senators Jeff Merkley and Elizabeth Warren to Acting OGE Director Greer, May 5, 2025, <https://www.merkley.senate.gov/merkley-warren-trump-linked-crypto-deal-is-a-staggering-conflict-of-interest/>.



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Charles E. Schumer
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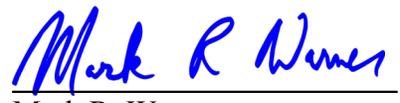
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