

Statement before the  
Senate Foreign Relations Committee,  
East Asia, the Pacific, and International Cybersecurity Policy  
Subcommittee hearing entitled  
“China’s Challenge to American AI Leadership,”

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## Introduction and Main Points

Chairman Ricketts, Ranking Member Coons, and distinguished members, thank you for inviting me to testify today.

I would like to make three points about the Chinese military, its use of artificial intelligence, and the implications for U.S. industrial and export control policy on AI chips.

First, the Chinese People's Liberation Army (PLA) seeks to move from an "informatized" (信息化) military to an "intelligentized" (智能化) military. In layman's terms, this means moving from using information and communications technologies to leapfrog stages of military development to a system that employs AI and machine learning to make those technologies operate at network speed. To this end, the PLA is building the core command and control systems of its entire military around an artificial intelligence-driven architecture of cybernetic decision-making systems like the Integrated Command Platform, requiring vast amounts of AI chips, data centers, and compute. This is especially true in its C5ISR-T (command, control, communications, computers, combat systems, intelligence, surveillance, reconnaissance, and targeting) infrastructure, which the PLA believes will be critical in defeating the "strong enemy," i.e., the United States. There is ample open-source evidence that the PLA is already implementing and deploying these AI systems throughout its military, integrating AI algorithms and large language models, backed by a combination of Western and Chinese technologies.

Second, Western industry leaders are wrong when they claim that the PLA doesn't need advanced U.S. AI chips or American tech stack. They are also wrong when they say the PLA can't rely on American AI technology for deployed systems because of U.S. export controls spurred by growing geopolitical tension between Beijing and Washington. We know from authoritative open sources that the PLA is already designing American technology into its systems, primarily because the performance of American tech is currently better and more power-efficient than their domestic counterparts. Despite widespread strategic directives from Beijing to improve "indigenization" of Chinese systems, the PLA continues to rely on foreign technology. Moreover, media accounts of widespread smuggling of export-controlled U.S. AI technology into China belies the notion that the PLA does not have ready and sustained access to the most advanced chips in production level quantities.

Third, all is not lost, but U.S. AI policymakers need to acknowledge a few hard truths and then act accordingly. The hardest truth is that we cannot "addict" China to the U.S. tech stack, nor does Beijing want to be addicted. The American industrial landscape is littered with the ruins of previous industries such as solar that gambled China would remain downstream of a dominant U.S. supply chain. In every case, China's state capitalist system methodically planned, subsidized, regulated, and thieved their way to pushing U.S. companies out of the China market and then crushing them globally with undercut priced goods. With respect to AI, there is no future universe in which Beijing wants to be reliant on Western firms like Nvidia for chips or ASML for lithography machines. The centralized planning apparatus is dedicated to replacing them as soon as possible with Chinese national champions like Huawei and SMEE. The U.S. can only regain the advantage by actual implementation of existing U.S. export controls, international cooperation among like-minded democratic countries, and national-level industrial

planning to ensure that the U.S. stack is globally dominant, not a Chinese tech stack whose very design is a digital reflection of China's authoritarian worldview and interests. In short, there is still a path to American preeminence in artificial intelligence and effective deterrence against the Chinese military, provided we have the determination and fortitude to make some difficult decisions. Thank you for the opportunity to testify and I look forward to your questions.