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Statement for the Record

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Chair Ricketts, Ranking Member Coons, and members of the committee, thank you for the privilege and opportunity to testify today.

Anthropic is a leading frontier AI model developer working to build reliable, interpretable, and steerable artificial intelligence (AI) systems. Anthropic has become the fourth-most valuable private company in the world.[1] Our flagship AI assistant, Claude, serves millions of Americans and trusted partners worldwide, from Fortune 500 companies and U.S. government agencies to small businesses, cutting-edge startups and consumers, enhancing productivity on sophisticated tasks including software development, data analysis, and scientific research.

Powerful AI technology will be built during this Administration, and these systems will have transformative capabilities that accelerate economic growth and reshape national security. AI leadership will shape global order, including whether AI promotes democracy and the rule of law or authoritarianism and social repression. The country that leads in AI will shape the 21st-century global order, and it matters enormously whether AI systems reflecting democratic values or authoritarian ones set that standard. The decisions made now will determine whether those systems are built in democracies with rule of law or in authoritarian states.

[1] Yuliya Chernova, Anthropic Valuation Hits $183 Billion in New $13 Billion Funding Round." *The Wall Street Journal,* Sept. 2, 2025, www.wsj.com/articles/anthropic-valuation-hits-183-billion-in-new-13-billion-funding-round-6212f3ed.

And given the stakes, we believe that the Biden administration did not take action that was decisive or rapid enough to maintain and extend America's lead in AI. We must not repeat that mistake. If there is a single point I want you to take away from today's hearing, it is this: ***access to advanced AI chips and the tools needed to manufacture them remains the single most significant, controllable factor that could allow the Chinese Communist Party (CCP) to close the gap with the United States in AI***.

We also believe that AI companies have a responsibility to put America's national security first. In September 2025, Anthropic became the only frontier AI company to not only prohibit model access from restricted regions like China, but also from companies anywhere in the world that are majority-owned by entities headquartered in those regions.

The CCP's Technology Playbook

The CCP seeks technological and supply chain dominance at America's expense. And there is no technology for which that is more true than AI.

The CCP does not seek complementarity or coexistence or comparative advantage with the United States or our allies. Instead, the CCP seeks run-the-table dominance and control of the most critical technologies and supply chains. This includes a strategy called "dual circulation," which is designed to make China independent from global inputs while making the rest of the world dependent on China's outputs. The only "addiction" that the CCP will countenance is *other* nations' addiction to China's technology and China's market. The vise into which the CCP wants to trap America is a deal that requires America to furnish China with the most exquisite and advanced technologies, while the CCP bureaucracy metes out licenses for America and its allies to buy China's basic commodities—critical minerals, rare earths and magnets. And even this arrangement, if we can call it that, lasts only until China has fully indigenized the pantheon of advanced technologies.

At an April 2025 Politburo study session on AI, General Secretary Xi Jinping underscored the CCP's commitment to achieving AI leadership, but also conceded that the CCP suffers from a shortage of "basic theory and key core technologies" and stressed the need to "face up to the gap" and "firmly seize the initiative in AI...."[2] This rare admission of vulnerability from

[2] Xi Jinping, Remarks at 20th Collective Study Session of the CCP Central Committee Politburo on Artificial Intelligence, April 25, 2025, https://archive.ph/JYpkI.

the CCP's top leader should sharpen our focus: the CCP knows where it is behind, and it is mobilizing vast national resources to try to catch up and surpass us.

The United States must be sober about our own strategic position and the stakes of this competition, and unflinching in recognizing the revolutionary geopolitical ambition that Xi evokes when he talks about the CCP's opportunities amidst so-called "changes that have not been seen in a hundred years."[3]

Against this backdrop, I address three key dimensions of the U.S.-China AI competition, assess the relative strengths and vulnerabilities of each side, and offer policy recommendations to ensure that the United States and our allies maintain as large of a lead as possible—not only in AI, but also the wide range of scientific, technological and manufacturing applications that AI could transform in just years, not decades.

I. The Three Dimensions of U.S.-China AI Competition

U.S.-China AI competition unfolds across three distinct but related dimensions—each of which is critical to ensuring that U.S. frontier AI model developers remain dominant.

The first is the competition at the AI frontier. This is the race to develop the most powerful and capable AI systems—the foundation models that will power applications from scientific discovery to military cyber operations to advanced manufacturing. Maintaining U.S. military, intelligence, economic, scientific and technological leadership may turn on our ability to win the AI frontier. The good news is that the United States currently leads at the frontier, but our ability to maintain and extend that lead will be a function of our ability to mobilize three critical resources: energy, talent, and, most important, "compute"—the AI chips that are aggregated in the hundreds of thousands, and soon, in the millions, to power advanced AI systems. China is investing heavily in all three areas, and meaningfully lags only on compute—more specifically, the ability to domestically manufacture AI chips at the rapidly increasing scale required to remain competitive at the frontier. China's AI labs, large and small, are also using methods such as model "distillation" (training smaller models to mimic larger ones) to freeload off of American frontier AI labs' investment and innovation, extracting intellectual property and trade secrets from America's leading companies to stay right on our heels and compensate for their deficit in compute.

[3] Xi Jinping, "Special Address at 2022 World Economic Forum Virtual Session," January 17, 2022, Chinese Embassy in the United States, https://archive.ph/EAQ0w.

The second dimension is the competition for global diffusion. Beyond building the best models, we are also competing to build and shape the global AI ecosystem. The CCP is doubling down on AI diffusion, playing the cards it has while it "faces up to the gap" at the frontier that Xi Jinping himself has identified. The CCP is positioning its AI companies and products as alternatives to Western technology partnerships.[4] The country whose AI infrastructure is most widely adopted will have enormous influence over not only how AI develops globally, but also whether AI advances authoritarian or democratic values.

The Trump Administration has wisely advocated for diffusing the American "AI stack" around the world but must work with industry to ensure this effort comprises the *full* American AI stack:

American models running on American chips in American data centers powering American AI platforms and applications.

To succeed, we must avoid one critical pitfall—America should not power China's AI stack. For example, we should not fill China's global data centers with American AI chips, nor should we fuel the diffusion of CCP-controlled AI platforms and applications with frontier American models. If we do, we will give the CCP the breathing room it needs to fill the gaps it currently faces in AI chip production and AI model competitiveness. This would reprise the vicious cycle that characterized the global 5G telecommunications competition: filling the CCP's supply chain and technology gaps until they are strong enough to compete globally, using predatory subsidies and coercion to crowd out American and allied competitors.

The third dimension of competition is adoption across the economy and particularly for national security. America can sprint ahead on developing frontier AI models, but could still lose the marathon for durable strategic advantage if our companies and government actors do not accelerate AI adoption for stronger economic growth and stronger military and intelligence capabilities. China is expressly focused on adoption, both in software and also in the realm of "physical AI," such as advanced robotics. China's well-known military-civil fusion doctrine also explicitly channels commercial AI models and advances into military and intelligence applications. It is critical that the U.S. government bring the best capabilities of all American frontier AI labs to bear in the Department of War, the Intelligence Community, and the broader defense industrial base they rely on. Maintaining a competitive marketplace

[4] Irene Zhang, China's New AI Plan (Sep. 9, 2025), https://www.chinatalk.media/p/chinas-new-ai-plan

of vendors that can deliver cutting-edge, reliable technology to America's Armed Forces is key to our national security, a lesson we have learned the hard way in other parts of the defense industrial base.

II. Assessing the Competitive Landscape

A sober assessment of the competitive landscape reveals significant national strengths and vulnerabilities that will shape the path of this competition.

China's Advantages

Energy. China has a commanding advantage in the electricity infrastructure that AI development requires. China added more than 400 gigawatts of net electric generation capacity in 2024 alone[5]—over 10 times the net capacity added by the United States.[6] China keeps its reserve margin at 80-100 percent nationwide,[7] meaning it consistently maintains at least twice the capacity it needs. Rather than viewing AI data centers as a threat to grid stability, China treats them as a convenient way to absorb oversupply. By contrast, U.S. regional grids typically operate with a 15 percent reserve margin,[8] and data center development risks being constrained by power availability. Policies and financing arrangements that maintain fair and sustainable pricing for everyday ratepayers are also vital, so that AI infrastructure is not built at the unfair expense of American families and small businesses.

AI talent pool. China produces far more STEM graduates than the United States and has developed a formidable domestic AI research ecosystem.[9] While the United States benefits enormously from attracting global talent, including many Chinese nationals, China's ability to

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[5] Caroline Wang, China Hit New Record of Solar and Wind Power Capacity Additions in 2024, Climate Energy Finance at 1, 3 (Feb. 18, 2025), https://climateenergyfinance.org/wp-content/uploads/2025/02/MONTHLY-CHINA-ENERGY-UPDATE-Feb-2025.pdf.

[6] Industry Data, Edison Electric Institute (2025), https://www.eei.org/en/resources-and-media/industry-data.

[7] Eva Roytburg, AI Experts Return from China Stunned: The U.S. Grid Is So Weak, the Race May Already Be Over, Fortune (Aug. 14, 2025), https://fortune.com/2025/08/14/data-centers-china-grid-us-infrastructure/.

[8] Brian Watts & Maureen Quinlan, With U.S. Electricity Demand Set to Skyrocket, the Call for Solutions Accelerates, Pew (Sept. 12, 2025), https://www.pew.org/en/research-and-analysis/articles/2025/09/12/with-us-electricity-demand-set-to-skyrocket-the-call-for-solutions-accelerates.

[9] Remco Zwetsloot et al., "China is Fast Outpacing U.S. STEM PhD Growth," Center for Security and Emerging Technologies (August 2021), https://cset.georgetown.edu/publication/china-is-fast-outpacing-u-s-stem-phd-growth/.

draw on a vast domestic talent pipeline gives it a resilient talent foundation that is less vulnerable than ours to disruptions in international talent flows.

Manufacturing. An often overlooked element of AI adoption is how we lay the groundwork to exploit the powerful AI capabilities that we can expect to emerge in the next few years. With a manufacturing and defense industrial base more than twice as large as America's—including a shipbuilding capacity more than 200x that of ours—China is potentially far better positioned to exploit powerful AI for not only civilian manufacturing, but also military mobilization and compellence.[10] For our part, America's mobilization and, by extension, our deterrence capability will not be credible if we risk exhausting critical munitions or other military materiel in weeks. We must flip the script on the CCP's current advantages by preparing our own industrial base to leapfrog China's with AI-native capabilities as powerful AI comes online.

China's Critical Vulnerabilities

Advanced AI chips. Despite significant investment spanning more than a decade, China remains fundamentally dependent on foreign sources for advanced AI chip design and manufacturing.[11] The best U.S.-designed AI chips are currently around four times more capable than China's best domestically produced chips, and *U.S.-designed chips are produced in far greater quantities*—likely by two orders of magnitude.[12] In 2024, China's semiconductor imports amounted to over $400 billion—more than any other good, including oil.[13] Despite marketing by Huawei and other CCP propaganda crafted specifically to make us believe that our hardware advantage is eroding, China's dependency on

[10] Seth G. Jones and Alexander Palmer, "China Outpacing U.S. Defense Industrial Base," Center for Strategic and International Studies (March 2024), https://www.csis.org/analysis/china-outpacing-us-defense-industrial-base.
[11] Representative Bill Huizenga. "GOP Rep.: The U.S. Must Close Critical AI Chip Export Loophole Exploited by China." *Newsweek* (Nov. 25, 2025), https://www.newsweek.com/gop-rep-the-u-s-must-close-critical-ai-chip-export-loophole-exploited-by-china-opinion-11102618.
[12] Jeffrey Kessler, Testimony before U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on South and Central Asia. "Bureau of Industry and Security FY26 Budget: Export Controls and the AI Arms Race," (June 12, 2025), foreignaffairs.house.gov/committee-activity/hearings/bureau-of-industry-and-security-fy26-budget-export-controls-and-the-ai-arms-race; Howard Lutnick, Testimony before U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies. "A Review of the President's Fiscal Year 2026 Budget Request for the Department of Commerce," (June 4, 2025), www.appropriations.senate.gov/hearings/a-review-of-the-presidents-fiscal-year-2026-budget-request-for-the-department-of-commerce.
[13] Raffaele Huang and Yoko Kubota,"Trade War Exposes China's Dependence on U.S. for Auto Chips." *The Wall Street Journal* (May 21, 2025), www.wsj.com/world/china/trade-war-exposes-chinas-dependence-on-u-s-for-auto-chips-41df1ae7.

American-designed chips fabricated predominantly in Taiwan—but now also in America as well—represents the single largest vulnerability in the CCP's bid for global technology dominance. This is one of the most critical "gaps" that Xi Jinping is exhorting the CCP to "face up to."

Semiconductor manufacturing equipment. What underlies the chip gap is of course China's inability to produce the advanced equipment needed to manufacture cutting-edge semiconductors. China is struggling to produce 7nm or more advanced chips at scale without extreme ultraviolet (EUV) lithography machines, which are exclusively produced by the Dutch company ASML—and which China cannot legally obtain due to export restrictions.[14] The first Trump administration wisely advocated for this restriction with the Netherlands. With the express bipartisan support of members of this committee and many others in Congress, the Biden administration built on this precedent by applying much broader restrictions, in coordination with other allies as well, across a broad range of semiconductor manufacturing equipment, and including countrywide bans on certain tools. This equipment, like the most advanced chips, is among the most complex and exquisite technologies built by humans, and China's gap in catching up is uniquely difficult to overcome. It is a decisive point of strategic leverage—if we choose to maintain it.

Once again, Xi's admission of "shortcomings" in "basic theories and key core technologies" reflects this reality. The CCP knows it is behind in areas that matter most for AI development. The prime question for U.S. policy is how America can keep it that way for as long as possible.

III. Policy Recommendations

Given this assessment, I would offer four core policy recommendations to maintain and extend American dominance in AI.

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[14] Lingling Wei, Amrith Ramkumar, and Robbie Whelan. "America's Chip Restrictions Are Biting in China." *The Wall Street Journal,* (Nov. 11, 2025), https://www.wsj.com/tech/ai/china-us-ai-chip-restrictions-effect-275a311e?gaa_at=eafs&gaa_n=AWEtsqd4xxY8AlFKW9eqSEWHKFjgQFhYFqwv-2-0v5aKeXLo0PxNFgwZ50c6U_MMBRI%3D&gaa_ts=6927cc35&gaa_sig=KMqmE4BAO7TzLaLzmRpWPT1p0_b8wBAb0w8tExt__OKGtS3_1X0V5YNDerlSIfi86ELFIqTuX-KN0nqnsqtMGw%3D%3D.

1. Maintain and Extend America's Compute Advantage Through Stringent Controls on AI Chips

The first Trump Administration took vital actions to restrict the export of advanced semiconductor manufacturing equipment to the CCP, and to restrict broader exports to critical players in China's semiconductor supply chain, including SMIC and Huawei. Building on this leadership, the October 2022 export controls on advanced semiconductors and semiconductor manufacturing equipment significantly broadened restrictions on these technologies. These controls, enacted and expanded with strong bipartisan support, have meaningfully constrained the CCP's AI development. The important question is not whether they have been perfect, but rather, where would we be in the AI competition with the CCP without them?

Even so, these controls require constant vigilance, strengthening and enforcement as the CCP and firms headquartered in China aggressively seek ways around them.

The Administration made a critical step forward by taking Blackwell-class chips off the table for export to China. It should further resist pressure to allow exports of chips close in performance to the Blackwell, such as H200-class chips—manufactured by any company—or otherwise weaken AI chip export controls. If AI progress continues on its current trajectory, relaxing AI chip controls on China would come to be seen as strategic folly on par with the Clinton administration's decision to admit China into the World Trade Organization. We must not let short-termism sap core national strategic advantages.

2. Maintain, Strengthen and Close Loopholes in U.S. and Allied Controls on Semiconductor Manufacturing Equipment

Semiconductor manufacturing equipment represents our most durable leverage in the AI race. Unlike finished chips, which can potentially be stockpiled or smuggled, a full suite of semiconductor manufacturing equipment enables long-term production capacity and is exceptionally difficult to indigenize.

Current controls are working but not well enough. The Biden Administration's watershed efforts with the Netherlands, Japan, the Republic of Korea and Taiwan did not go far enough or quickly enough to prevent stockpiling or keep up with the inevitable game of whack-a-mole as the CCP attempts to circumvent controls. Allied controls must be

strengthened to match U.S. restrictions; and expanded country-wide restrictions on semiconductor manufacturing equipment—in addition to comprehensive restrictions on all advanced Chinese fabs and toolmakers—are necessary to close major loopholes. Chinese fabs should not have continued access to essential allied tools, components, and servicing—undermining the effectiveness of U.S. restrictions while also shifting market share away from American firms. And American chip fabs should not be allowed to use Chinese tools, providing them with invaluable information, legitimacy and market share.

3. Close Loopholes that Allow Remote Access to Compute and Frontier Models

Export controls on physical chips are necessary but insufficient. Nations subject to these controls can increasingly access AI capabilities and the computing power needed to train AI models remotely—through cloud computing services, API access to frontier models, or by establishing subsidiaries in third countries to circumvent geographic restrictions.

Anthropic has taken a leading position on this issue, putting the national security interest ahead of our near-term profit interest. In September 2025, we updated our Terms of Service to prohibit not only direct access to our AI assistant Claude from the regions we have restricted, including China, but also access by companies anywhere in the world that are majority-owned by entities headquartered in those regions. We recognized that Chinese companies were establishing subsidiaries in third countries and freely accessing frontier American AI, while remaining subject to CCP "national security laws" that can compel data sharing, cooperation, and material partnerships with the People's Liberation Army (PLA) and CCP intelligence services.[15] We also believed that American AI should not be used to help China-based AI platforms or applications to build global market share—because that would undermine our national goals with respect to global AI diffusion. To our knowledge, Anthropic is the only frontier AI model company that has implemented such meaningful restrictions to date. Anthropic also laments that the otherwise well-intentioned Chinese entrepreneurs and consumers who strive for access to the world's best AI are another victim of the CCP's authoritarian system and policies.

[15] *National Intelligence Law of the People's Republic of China*. 28th Meeting of the Standing Committee of the 12th National People's Congress, 27 June 2017. Effective June 28, 2017, https://archive.ph/NSS6l; Standing Committee of the National People's Congress. "Cybersecurity Law of the People's Republic of China." Effective Nov. 7, 2016, https://archive.ph/MUjuf.

We believe that Congress and the Administration should consider steps to restrict frontier model access across the AI sector to companies headquartered in China and other countries of concern, in light of these national security and global competitiveness concerns.

4. Framework for Trusted AI

The Administration also should work with like-minded allies and partners to develop and promote a common set of voluntary standards for trusted AI development and deployment, akin to the first Trump Administration's Clean Network initiative focused on telecommunications infrastructure that complemented the European Union's 5G Toolbox, India's 5G Trusted Vendor Framework, and Japan's IoT Security and Safety Framework.[16] A trusted AI framework would build consensus on the national security risks associated with CCP AI models—including data security, privacy, censorship, political bias, and misaligned behavior—and lay the groundwork for coordinated regulatory approaches to evaluate and mitigate these well-documented risks in addition to aligning on existing controls.

Unlike most major U.S. frontier model developers, leading China-based labs do not, as a matter of common practice, publish details about their evaluations for misalignment (to the extent they are being conducted at all) or steps they are taking to mitigate the risks of models assisting malicious actors in domains such as dangerous biology or offensive cyber attacks.[17] A trusted AI framework could for example, as an initial step, urge frontier model developers to conduct pre-deployment testing and publish system cards that make these risks more legible and serve as a benchmark against which industry and governments can coordinate to mitigate risks. A natural outcome of such a framework would be a stronger preference for transparent American AI models across global allied markets that are leading in adoption.

IV. The National Security Stakes

The national security stakes of this competition are no longer conjecture or speculative.

In September 2025, Anthropic detected and disrupted what we assess, with high confidence, to be the first documented AI-orchestrated cyber espionage campaign conducted by a Chinese state-sponsored actor. The threat actor manipulated our Claude Code tool into functioning as

[16] U.S. Department of State, "The Clean Network," archived Jan. 17, 2021, https://2017-2021.state.gov/the-clean-network/.
[17] Model Evaluation and Threat Research (METR), "Frontier AI Safety Policies," accessed November 25, 2025, https://metr.org/faisc.

a largely autonomous cyberattack agent, targeting approximately 30 global organizations including major technology companies, financial institutions, manufacturers, and government agencies.[18]

What made this campaign unprecedented was the degree of autonomy achieved in its execution. The AI executed approximately 80-90 percent of tactical operations independently, with humans intervening only at strategic decision points. At the peak of the attack, the AI made thousands of requests, often multiple per second—an attack speed impossible for human hackers to match. The AI autonomously discovered vulnerabilities, exploited them in live operations, performed post-exploitation activities, and produced comprehensive documentation of stolen credentials and compromised systems.

This represents a significant escalation in cyber threats. The barriers to performing sophisticated cyberattacks have dropped substantially, and we predict they will continue to fall. With the correct setup, threat actors can now use agentic AI systems to do the work of entire teams of experienced hackers. The answer is better AI for defense, and Anthropic is now working hard to ensure American and allied actors have the best AI for cyber defense.

I believe the cyber example is a harbinger, not an anomaly. The implications of the AI race will extend far beyond cybersecurity. AI will increasingly be central to the full spectrum of intelligence and military operations. A CCP that achieves parity or superiority in AI would have transformative advantages across the national security landscape. Those advantages must be America's, not the CCP's.

V. The Stakes for Democratic Values

Finally, and perhaps most important, the strategic competition with the CCP is not only about economic advantage or even national security narrowly defined. It is fundamentally about whether the most powerful technologies of our era will be developed and deployed in accordance with democratic values or authoritarian ones.

In his 2017 address "Engineers of the Soul," John Garnaut—a former Australian government advisor on the CCP—identified the unbroken ideological thread running from Lenin through Stalin and Mao to Xi Jinping. As Garnaut observed, Xi has "reinvigorated ideology to an

[18] Anthropic. "Disrupting the First Reported AI-Orchestrated Cyber Espionage Campaign." Anthropic (Nov. 13, 2025), www.anthropic.com/news/disrupting-AI-espionage.

extent we have not seen since the Cultural Revolution," and crucially, "Xi's project of total ideological control does not stop at China's borders."[19] The phrase "engineers of the soul" comes from Stalin's description of writers as instruments of state power—a concept Xi Jinping has explicitly embraced, arguing that art, literature, and now technology should serve the party's "totalitarian project of creating unity of language, knowledge, thought and behavior."

This matters for AI competition because AI, in a very real sense, could be used to turbocharge social engineering at scale. The CCP has explicitly articulated its vision for AI governance—one that emphasizes state control, surveillance capability, and the subordination of individual rights to party interests. The CCP's social credit systems, mass surveillance in Xinjiang, and export of authoritarian technology to other countries demonstrate how AI can be weaponized against human freedom.

If the CCP wins the AI race, in one or more dimensions, its "engineers of the soul" will shape how AI is developed and deployed around the world. This is a contest between systems of government, not peoples—and we should be precise about that distinction. Our concern is with authoritarian governance, not with China as a nation or Chinese people as a community. If the United States wins instead, we have the opportunity to embed democratic values—transparency, accountability, individual rights, due process—into the foundational infrastructure of the AI era.

I am confident we can do so with sustained investment, strategic policy, and most importantly, bipartisan commitment.

VI. Conclusion

America today leads in AI, but this lead is neither inevitable nor permanent. The CCP is investing massively, mobilizing its strengths, and working and investing systematically to overcome its weaknesses.

We have tremendous advantages. The race is ours to lose. But the most decisive outcomes of this competition will be shaped by the policy choices made in this Congress and this Administration. I urge bipartisan action to maintain stringent export controls on AI chips,

[19] John Garnaut, "Engineers of the Soul: Ideology in Xi Jinping's China." Internal Australian government seminar, Aug. 2017. Sinocism, sinocism.com/p/engineers-of-the-soul-ideology-in.

strengthen restrictions on semiconductor manufacturing equipment, and close the loopholes that allow the CCP remote access to frontier AI capabilities. The stakes—for America's security, our economy, and our core values—are incalculable.

Thank you, and I look forward to your questions.