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Committee:	House Oversight Subcommittee on Economic Growth, Energy Policy & Regulatory Affairs
Event:	Winning the Economic Competition with China: Working Families, the AI Race, and Energy
Date:	July 14, 2026

Executive Summary:

On July 14, 2026, the House Oversight Subcommittee on Economic Growth, Energy Policy & Regulatory Affairs held a roundtable discussion, titled "Winning the Economic Competition with China: Working Families, the AI Race, and Energy." Members and witnesses focused on permitting reform, bolstering American manufacturing, and ensuring the U.S. outpaces China in artificial intelligence (AI) development.

Member Toplines:

Subcommittee Chairman Eric Burlison (R-MO-07): Burlison stated that China seeks to dominate "chokepoint" industries, including critical minerals processing, through government subsidization and control of critical supply chains. He contended that China is actively undermining U.S. leadership in AI and energy production by impeding data center construction and energy projects. He asserted that China has exploited the former-Biden administration's clean energy tax incentives to expand its manufacturing footprint in the U.S. He expressed support for the *One Big Beautiful Bill Act* (OBBBA), arguing that it strengthens U.S. competitiveness by restricting benefits for foreign entities of concern, supporting domestic energy production, and investing in critical minerals essential to the domestic development of AI and semiconductors.

Roundtable Attendees:[1]

Joshua Hodges, Commissioner, U.S.-China Economic and Security Review Commission: Hodges argued that China is pursuing a long-term strategy to dominate critical technologies, manufacturing, and supply chains, and that while the U.S. maintains an advantage in innovation, it lags in coordination and speed. He emphasized that economic competition under China is increasingly a national security issue and highlighted the OBBBA as an effort to strengthen U.S. supply chains and competitiveness. Hodges warned that China is leveraging its control over critical minerals and attempting to use its influence to slow the development of American data centers and other innovative infrastructure.

Piero Tozzi, Senior Director for Chinese Policy, America First Policy Institute: Tozzi asserted that China seeks to challenge the U.S. through state-led economic, technological, and national

[1] Opening statements from Hodges, Tozzi, and Tiffert were not available online at the time of this memo's distribution.

security initiatives. He warned that China uses control over critical supply chains, including rare earth minerals, as strategic leverage to exploit U.S. vulnerabilities. He emphasized that the U.S. must work with allies to secure supply chains in critical sectors, including semiconductors, drones, and AI. He pointed out that American corporations, including Microsoft, have utilized Deep Seek AI models to cut costs.

Glenn Tiffert, Distinguished Research Fellow, Hoover Institution: Tiffert noted that China's technological rise has been driven by decades of favorable industrial policy and state-led investment. He warned that China is targeting critical sectors of the global economy, including semiconductors, clean energy, and advanced manufacturing, through a whole-of-state approach that combines government support, local competition, and industrial investment. He emphasized that the U.S. must strengthen its own competitiveness through reshoring manufacturing and strengthening supply chains. Tiffert advocated for continued investment in domestic manufacturing, critical minerals, and infrastructure supporting innovation such as AI.

Alex Epstein, President & Founder, Center for Industrial Progress: Epstein argued that China's primary advantage over the U.S. is greater "industrial freedom" driven by a lack of permitting barriers. He contended that the U.S. must pursue comprehensive permitting reform, including changes to the *National Environmental Policy Act* and the *Clean Water Act*, as well as ensure greater permitting certainty so approved projects can't be revoked by future administrations. He stated that China is expanding reliable power through coal while using solar and wind primarily as fuel-saving technologies rather than dependable power sources. He criticized U.S. policies that mandate intermittent energy sources while restricting reliable generation, warning that these policies threaten grid reliability amid rising electricity demand.

Major Takeaways:

AI:

- Rep. **Lauren Boebert** (R-CO-04) asked how energy policy and domestic resources relate to data center development.
    - Epstein argued that electricity supply is a bottleneck to AI growth and that permitting delays are hindering the expansion of generation and transmission. He advocated for allowing data centers to develop dedicated power generation while expanding reliable energy infrastructure to maintain U.S. leadership in AI.
- Burlison asked how proponents of AI should respond to concerns that AI will eliminate jobs and that data centers will strain local water and electricity resources.
    - Epstein answered that concerns about water and electricity can be addressed through innovative cooling techniques and grid management. He argued that AI will amplify the workforce by increasing productivity, creating new opportunities, and improving access to education and job training.
    - Tiffert urged Congress to extend the 45X tax credit, advance the United States-Taiwan Expedited Double-Tax Relief Act (H.R. 33), and reduce barriers to semiconductor investment. Hodges recommended expanding the 45X tax credit to strategic sectors such as quantum computing and biotechnology to strengthen U.S. competitiveness.

- Rep. **Clay Higgins** (R-LA-03) expressed skepticism regarding AI's reliability and asked how lawmakers can address these issues while still embracing innovation.
    - Tiffert stressed the importance of understanding AI's limitations and emphasized the importance of human verification. He explained that generative AI can reflect biases or inaccuracies in its source material.
    - Tozzi raised concerns that Chinese AI models could spread false narratives on sensitive topics. He argued that the U.S. must continue developing AI systems and not fall behind Chinese models.
- Higgins questioned how Congress should approach AI governance, including whether the federal government should establish AI education standards.
    - Tiffert urged Congress to prioritize ensuring that AI systems reflect democratic values while avoiding overly restrictive regulation. He emphasized the need to support private-sector innovation, workforce development, and research funding to allow American AI technologies to compete internationally.

China:

- Higgins asked how Congress should balance states' rights and federal AI policy while strengthening U.S. competitiveness against China.
    - Tozzi argued that the U.S. must better understand China's long-term strategy and avoid AI restrictions that would put the U.S. at a competitive disadvantage.
    - Hodges warned that China is positioning itself to disrupt U.S. critical infrastructure and voiced concerns about integrating Chinese AI models into widely used U.S. technology platforms. Echoing Tozzi's earlier testimony, he cited Microsoft's potential use of Chinese AI models, arguing that the company's deep integration with U.S. national security tools makes such adoption particularly alarming.
- Rep. **Scott Perry** (R-PA-10) questioned how the U.S. can counter Chinese influence campaigns related to data centers and broader energy policy.
    - Tozzi highlighted Taiwan's approach to combating disinformation through rapid fact-checking efforts that counter false narratives with additional information rather than censorship.

Permitting & Regulatory Reform:

- Higgins and Epstein debated the constitutional grounds for removing the executive branch's authority to reinterpret and reverse permits.
    - Epstein argued that the executive branch should be constrained and permits should be final unless a company violates statute to ensure a "government of laws, not of men."
- Boebert asked if the U.S. can outcompete China's manufacturing sector under the current permitting regime and what regulatory reforms Congress should pursue to strengthen domestic industry.
    - Epstein argued that burdensome federal permitting requirements undermine U.S. manufacturing competitiveness and called for reforms to increase industrial freedom. He urged lawmakers to embrace AI and warned that excessive regulation could allow China to dominate the technology.