BRETT GUTHRIE, KENTUCKY
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RANKING MEMBER

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115
Majority (202) 225-3641
Minority (202) 225-2927

June 28, 2026

**MEMORANDUM**

To: Subcommittee on Commerce, Manufacturing, and Trade Members and Staff
From: Committee Majority Staff
Re: Subcommittee on Commerce, Manufacturing, and Trade Hearing on June 30, 2026

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## I. INTRODUCTION

The Subcommittee on Commerce, Manufacturing, and Trade will hold a legislative hearing on Tuesday, June 30, 2026, at 2:00 p.m. (ET) in 2123 Rayburn House Office Building. The hearing is entitled, "American Global Competitiveness at 250: Legislative Proposals to Secure U.S. Technology Leadership." The hearing will review the following legislation:

- H.R. 9385, PROTECT USA Act of 2025 (Rep. Fitzgerald)
- H.R. 7334, National Commission on Robotics Act (Reps. Obernolte and McClellan)
- H.R. 2321, United States Leadership in Immersive Technology Act of 2025 (Reps. DelBene and Pfluger)
- H.R. 6207, Chip EQUIP Act (Reps. Lofgren and Obernolte)
- H.R. ____, Open-Source AI Leadership Act (Rep. Evans)
- H.R. ____, American Quantum Competitiveness Act (Rep. Langworthy)
- H.R. ____, Biomanufacturing Excellence, Domestic Resilience, Output, and Competitive Know-how (BEDROCK) Act (Rep. Latta)
- H.R. ____, Biosecurity Modernization and Innovation Act (Reps. Pfluger and Houlahan)
- H.R. ____, Memory Chip Competitiveness Assessment Act (Rep. Miller-Meeks)
- H.R. ____, Automotive National and Economic Security Act of 2026 (Rep. Harshbarger)

## II. WITNESSES

- Neil Chilson, Head of AI Policy, Abundance Institute
- Jason Fiorillo, Chief Legal Officer, Boston Dynamics
- Marty Durbin, Senior Vice President for Policy, U.S. Chamber of Commerce
- Jedidah Isler, Chief Science Officer, Federation of American Scientists

## III. BACKGROUND

### A. Foreign Corporate Sustainability Due Diligence Regulations

Foreign jurisdictions, particularly the European Union (EU), have enacted comprehensive reporting and compliance requirements for companies, which impose invasive checks on a company's supply chains to allegedly address environmental and climate change concerns.[1] The EU's law is called the Corporate Sustainability Due Diligence Directive (CSDDD). A key aspect applies these regulations on an extraterritorial basis to American firms even if they simply sell into the EU and have no territorial connection. The CSDDD presents significant regulatory burdens on American companies and will lead "to measurable initial compliance costs of between $637 billion and $1.093 trillion." [2] Notably, "[t]hese costs on American firms are comparable to the combined regulatory costs of existing American environmental and financial regulations."[3] On June 25, 2026, the Chairmen of the Energy and Commerce, Judiciary, and Financial Services Committees wrote a letter to the Ambassador of the European Union to United States (U.S.), expressing concerns that the CSDDD's "requirements are onerous and extraterritorial" and impose "disproportionate burdens on American companies."[4]

### B. Critical and Emerging Technologies

Critical and emerging technologies are increasingly central to economic growth, national security, and global competitiveness. Technologies such as artificial intelligence (AI), quantum computing, biotechnology, advanced manufacturing, and autonomous systems are transforming industries and creating new strategic advantages.[5] The U.S. remains a global leader in innovation, but faces growing competition from foreign adversaries, particularly the People's

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[1] *Corporate sustainability due diligence,* Eur. Comm'n, https://commission.europa.eu/topics/business-and-industry/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en (last visited Apr. 7, 2026).
[2] Harold Furchtgott-Roth, *The EU's December 2025 Changes to CS3D: Quantifying Costs to U.S. Industry*, HUDSON INSTITUTE (Jan. 2026), https://s3.us-east-1.amazonaws.com/media.hudson.org/012826_Furchtgott_EU_CS3D_Memo_v2+dsa+Jan+30..pdf.
[3] *Id*.
[4] Letter from Brett Guthrie, Chairman, H. Comm. on Energy & Commerce, Jim Jordan, Chairman, H. Comm. on the Judiciary, & French Hill, Chairman, H. Comm. on Fin. Servs., to Jovita Neliupšienė, Ambassador, Delegation of the Eur. Union to the U.S. (June 25, 2026).
[5] John Barker et. al., *White House Releases Updated Critical and Emerging Technologies List*, ARNOLD & PORTER (Feb. 28, 2024), https://www.arnoldporter.com/en/perspectives/advisories/2024/02/updated-critical-and-emerging-technologies-list.

Republic of China (PRC). Leadership in critical and emerging technologies will determine the future of American prosperity and national security.

### C. Semiconductors

The digital world runs on semiconductors, which are foundational to consumer electronics such as smartphones, computers, and motor vehicles as well as AI technologies.[6] American semiconductor companies generate over 50 percent of global semiconductor revenue and support more than 345,000 jobs (with an additional 2 million indirect and induced jobs).[7]

Because the semiconductor supply chain spans dozens of countries and thousands of firms it is highly vulnerable to shocks, disruptions, and shortages, making continued access to semiconductors a key national security issue.[8] This vulnerability became starkly evident during the 2021 shortage, which cost the U.S. an estimated $240 billion.[9]

In response, Congress included the CHIPS for America Act in the Fiscal Year 2021 National Defense Authorization Act and subsequently enacted the CHIPS and Science Act of 2022, which appropriated $39 billion to the Department of Commerce to support domestic semiconductor manufacturing.[10] However, several threats remain. The PRC is gaining on the U.S. by investing tens of billions in state subsidies to scale up production of legacy tools that fall outside export controls.[11]

Additionally, the U.S. is currently experiencing a severe shortage in memory chips, which are key components for everything from automobiles to consumer electronics.[12] The shortage has been driven mainly by sky-high consumption of memory chips for data centers and AI.[13] Memory chips manufacturers are making substantial investments in the U.S. to increase memory chip manufacturing capacity, but those investment are expensive and take several years to build.[14] Moreover, given the expected high future demand for data centers, AI chips, and other products that use memory chips, it is vitally necessary to examine solutions to strengthen the memory chip marketplace.

### D. Risks to the Automotive Industry

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[6] *State of the U.S. Semiconductor Industry*, SEMICONDUCTOR INDUS. ASS'N , at 4 (2025), https://www.semiconductors.org/wp-content/uploads/2025/07/SIA-State-of-the-Industry-Report-2025.pdf.
[7] *Id.*
[8] Akhil Thadani and Gregory C. Allen, Mapping the Semiconductor Supply Chain: The Critical Role of the IndoPacific Region, CTR. FOR STRATEGIC AND INT'L STUD. (May 30, 2023), https://www.csis.org/analysis/mappingsemiconductor-supply-chain-critical-role-indo-pacific-region.
[9] *Id.*
[10] Pub. L. No. 116-283, § 9902(a), 134 Stat. 3388, 4846–48 (codified at 15 U.S.C. § 4652(a)).
[11] Julie Zhu et. al., *China to launch $40 billion state fund to boost chip industry*, REUTERS (Sept, 5, 2023), https://www.reuters.com/technology/china-launch-new-40-bln-state-fund-boost-chip-industry-sources-say-2023-09-05/.
[12] Robbie Whelan, The Memory-Chip Crisis Is Here—and You're Footing the Bill, WALL STREET JOURNAL (June 20, 2026), https://www.wsj.com/tech/personal-tech/memory-chip-crisis-consumer-electronics-d24cdddf.
[13] *Id*.
[14] *Id*.

The automotive industry is America's largest manufacturing sector, supporting 10.1 million jobs, contributing $1.2 trillion to the economy, and generating more than $340 billion in federal, state, and local annual tax revenue between auto manufacturing and vehicle sales.[15] The value of American automobile and parts exports totals $143 billion to nearly 200 countries.[16]

However, the American automotive industry is at a critical juncture. America's share in global automotive production has decreased from 46 percent in 1965 to 14.7 percent today.[17] By contrast, the PRC's share has rapidly increased reaching 35 percent in 2025.[18] The PRC's dominance arose in part due to $230 billion in state subsidies over the last decade, as well as Chinese companies gaining significant expertise and technology from Western and other East Asian automakers. Most Western and East Asian motor vehicle manufacturers have pursued various partnerships with, or have taken ownership stakes in, the Chinese automotive industry.[19] This dynamic presents risks to America's industrial base and the long-term vitality of the American automotive industry.

## IV. LEGISLATION

The Subcommittee will discuss the following legislation:

### A. H.R. 9385, PROTECT USA Act of 2025 (Rep. Fitzgerald)

The bill creates a blocking statute to prohibit entities integral to the national interests of the U.S. from complying with any foreign sustainability due diligence regulations, including the CSDDD of the EU.

### B. H.R. 7334, National Commission on Robotics Act (Reps. Obernolte and McClellan)

The bill directs the Secretary of Commerce to establish an independent commission to examine U.S. leadership in robotics with respect to interstate and foreign commerce, economic competitiveness, and national security. The Commission is required to make recommendations to Congress and the President.

### C. H.R. 2321, United States Leadership in Immersive Technology Act of 2025 (Reps. Pfluger and DelBene)

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[15] Alliance for Automotive Innovation, *Data Driven Navigating the Road Ahead 2024 Industry Report* (Jan. 2025), https://www.autosinnovate.org/posts/papers-reports/Alliance%20for%20Automotive%20Innovation%20-%20DATA%20DRIVEN%20Report%20%28January%202025%29.pdf.
[16] *Id*.
[17] Stephen Ezell & Meghan Ostertag, *America Needs an Industrial Strategy for Motor Vehicles*, ITIF (May 11, 2026), https://itif.org/publications/2026/05/11/america-needs-an-industrial-strategy-for-motor-vehicles/.
[18] Dong Yi Chen, *China accounted for 35.6% of the global automotive market in 2025, a new record high*, CARNEWSCHINA (Feb. 5, 2026), https://carnewschina.com/2026/02/05/china-accounted-for-35-6-of-the-global-automotive-market-in-2025-a-new-record-high/.
[19] Suranjana Tewari, *The world's carmakers are struggling to compete with China*, BBC (May 27, 2026), https://www.bbc.com/news/articles/c4g8vg72z43o.

The bill designates the Secretary of Commerce as the principal advisor on immersive technology, establishes an interagency immersive technology advisory panel, and requires a study and report on economic, workforce, deployment, regulatory, and national security considerations pertaining to immersive technologies.

**D. H.R. 6207, Chip EQUIP Act (Rep. Lofgren)**

This bill prevents companies that receive CHIPS Act funding from purchasing specialized manufacturing tools or equipment made by entities owned or controlled by the Chinese government, or other foreign entities of concern.

**E. H.R. ____, AI Open-Source Leadership Act (Rep. Evans)**

The discussion draft directs the Secretary of Commerce to identify barriers to the adoption of U.S. open-source AI models in interstate and foreign commerce and to take steps to address such barriers. It further directs the Secretary to publish reports on the risks associated with the use of foreign adversary open-source AI models in interstate and foreign commerce.

**F. H.R. ____, Quantum Supply Chain Bill (Rep. Langworthy)**

The discussion draft directs the Secretary of Commerce to support the commercial leadership of quantum technology and its critical components including through supporting manufacturing, use, and scaling of quantum, promoting private investment, and convening stakeholders. The Secretary shall also take actions to strengthen the quantum supply chain including through identifying critical components, determining barriers to investment, and mitigating risk to the quantum supply chain. Finally, the Secretary is responsible for developing a national strategy on quantum technology and critical components with respect to commercialization and a trusted quantum supply chain.

**G. H.R. ____, Biomanufacturing Excellence, Domestic Resilience, Output, and Competitive Know-how (BEDROCK) Act (Rep. Latta)**

The discussion draft directs the Secretary of Commerce to promote competitiveness in biomanufacturing in the U.S., identify supply-chain and commercialization vulnerabilities relative to critical biomanufacturing inputs and domestic production capacity, and improve transparency regarding federal processes applicable to biomanufactured products. The bill also directs the Secretary, in conjunction with other federal agencies, to develop a plan to facilitate the commercialization of biomanufactured products.

**H. H.R. ____, Biosecurity and Modernization Act (Reps. Pfluger and Houlahan)**

The discussion draft directs the Secretary of Commerce to establish know-your-customer requirements for businesses that manufacturer synthetic nucleic acids or produce and distribute equipment to synthesize nucleic acids. The bill also directs federal agencies to assess the current state of biosecurity and biosafety oversight and establish a plan to streamline these efforts.

### I. H.R. ____, Memory Chip Competitiveness Assessment Act (Rep. Miller Meeks)

The discussion draft directs the Secretary of Commerce to conduct a study of advanced memory technology with respect to use cases, affordability, demand, supply constraints, marketplace trends, and the role of countries of concern. The study is also required to assess any legal or regulatory barriers limiting advanced memory technology and solutions to increase the supply of advanced memory technology.

### J. H.R. ____, Automotive National and Economic Security Act of 2026 (Rep. Harshbarger)

The discussion draft directs the Secretary of Commerce to conduct a study on motor vehicle and motor vehicle equipment manufacturers' business relationships with foreign adversaries and the motor vehicle industry in those countries. This includes ownership stakes, joint ventures, contract manufacturing, licensing agreements, research and development partnerships, and investments in foreign adversary companies. The study must also examine the national security and economic competitiveness considerations of these relationships, involvement by state-owned or controlled entities, and any technology transfer of critical and emerging technologies.

## V. KEY QUESTIONS

The hearing may include discussion of the following key issues:

- How can the U.S. secure and stabilize semiconductor supply chains, especially for materials and equipment vulnerable to supply chain disruptions?
- What steps can policymakers take to address the ongoing shortage in advanced memory chip technology?
- Given increased competition from foreign adversaries, including the PRC, how can the U.S. balance innovation in critical and emerging technologies with economic and national security?
- What impact do foreign extraterritorial regulations such as the EU CSDDD have on the ability of American innovators to invest, grow, and export cutting-edge goods and services?
- How can the Department of Commerce collaborate with private industry, stakeholders, and trusted foreign partners to advance American innovation, including with regard to open-source AI models, quantum technologies, robotics, and biomanufacturing?
- To what extent do U.S., Korean, Japanese, and European automakers maintain manufacturing, supply chain, sourcing or other business relationships with foreign adversary countries?

## VI. STAFF CONTACTS

If you have questions regarding this hearing, please contact Giulia Leganski, Matt Furlow, or Evangelos Razis of the Majority Committee staff at (202) 225-3641.