



June 16, 2023

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, DC 20515

The Honorable Kevin McCarthy  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20515

The Honorable Hakeem Jeffries  
Minority Leader  
United States Senate  
Washington, DC 20515

Dear Speaker McCarthy, Majority Leader Schumer, Minority Leader Jeffries, and  
Minority Leader McConnell:

As you continue work to educate U.S. lawmakers and members of your caucus on the potential, promise, and pitfalls of artificial intelligence (AI), we urge you to remember the contributions of small AI businesses.

While the nation's attention has been captured by generative AI chatbots built and supported by the country's largest tech companies, a wave of AI small businesses are applying artificial intelligence to solve problems in health care, national security, education and more. Their achievements, the challenges they face, and their role in the tech ecosystem should not be overlooked.

Over the past three months, Congress has held eight hearings on artificial intelligence with over two dozen witnesses testifying on AI and its applications in industries ranging from entertainment to national security. Three of those hearings have hosted panel witnesses from major, publicly-listed U.S. tech companies, including Alphabet, IBM, and Palantir. One hearing heard from the founder of OpenAI, which owns the most widely-used AI chatbot on the Internet and is valued at over \$20 billion.

**Since the beginning of the year, no hearings have hosted a witness from one of the U.S.'s many AI small businesses.**

In addition to learning from congressional hearings, lawmakers and congressional leaders have taken the opportunity to meet one-on-one and in small groups with tech founders from Sam Altman<sup>1</sup> to Elon Musk.<sup>2</sup>

In many cases, the public policies proposed by founders and CEOs representing tech giants would create barriers to entry favoring tech giants over small businesses. Proposals to create a new federal agency that would license AI software would construct regulatory hurdles easily surmountable for the biggest U.S. tech firms, but ruinous for small businesses and startups. Recommendations for a “pause” on AI development would give major firms which have already developed AI tools a leading edge over small businesses trying to compete in the space.

At the moment, competition and innovation in the AI space is thriving. Already, an estimated \$12.5 billion in investments have poured into generative AI startups this year so far.<sup>3</sup> That’s nearly three times as much as was invested in the field in all of 2022. At the same time, AI collectives have flourished, bringing together young entrepreneurs interested in bringing their ideas to life with AI.<sup>4</sup>

But competition and the booming field of AI small businesses could easily be crushed by a regulatory regime that focuses its attention on creating a framework that puts guardrails on the biggest tech players without an awareness of impacts on small firms.

In the Senate, a series of AI briefings are underway to educate lawmakers on AI, U.S. leadership in the industry, and related national security issues.<sup>5</sup> As interest in generative AI models grows, it’s likely that Congress will also hold additional hearings to gather the perspectives of industry experts and academics. **We urge you to include small AI businesses in these opportunities to gain their perspective.**

Thank you for your leadership.

Sincerely,

Chamber of Progress  
Engine  
Small Business & Entrepreneurship Council

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<sup>1</sup> <https://www.nytimes.com/2023/06/07/technology/sam-altman-ai-regulations.html>

<sup>2</sup> <https://www.nbcnews.com/politics/congress/elon-musk-meets-schumer-discuss-artificial-intelligence-rcna-81696>

<sup>3</sup> <https://www.washingtonpost.com/technology/2023/06/04/ai-bubble-tech-industry-outlook/>

<sup>4</sup> <https://www.forbes.com/sites/martineparis/2023/02/23/ai-startups-boom-in-san-francisco-amid-100-billion-google-mistake>

<sup>5</sup> <https://www.reuters.com/technology/us-senate-leader-schedules-classified-ai-briefings-2023-06-06/>